

**KENSINGTON FIRE PROTECTION DISTRICT
AGENDA OF A MEETING OF THE
BOARD OF DIRECTORS**

Date of Meeting: February 7, 2018
Time of Meeting: 7:00 p.m.
Place of Meeting: Kensington Community Center
59 Arlington Avenue, Kensington, CA 94707

Please Note: Copies of the agenda bills and other written documentation relating to each item of business referred to on the agenda are on file in the office of the Kensington Fire Protection District Administration Office, 217 Arlington Avenue, Kensington, and are available for public inspection. A copy of the Board of Directors packet can be viewed on the internet at www.kensingtonfire.org/agenda/index.shtml.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Manager, 510/527-8395. Notification 48 hours prior to the meeting will enable the Kensington Fire Protection District to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.102-35.104 ADA Title 1).

Pursuant to Government Code §54953(b), this meeting will include a teleconference location at The Nagel Residence, 251 Stanford Avenue, Kensington, CA 94708. Vice President Laurence Nagel will be attending the Regular Meeting via teleconference. The public shall have the opportunity to address the Board of Directors at this teleconference location pursuant to Government Code Section §54954.3. All votes during the teleconferencing session will be conducted by roll call vote. The teleconference location is accessible to the public and the agenda will be posted at the teleconference location 72 hours before the meeting.

7:00 p.m.

CALL TO ORDER

Directors: Joe de Ville, Don Dommer, Nina Harmon, Janice Kosel, and Laurence Nagel

1. **ADOPTION OF CONSENT ITEMS.** Items 3, 4 & 5

All matters listed with the notation "CC" are consent items, which are considered to be routine by the Board of Directors and will be enacted by one motion. The Board of Directors has received and considered reports and recommendations prior to assigning consent item designations to the various items. Copies of the reports are on file in the Fire Protection District Administrative Office at 217 Arlington Avenue and are available to the public. The disposition of the item is indicated. There will be no separate discussion of consent items. If discussion is requested for an item, that item will be removed from the list of consent items and considered separately on the agenda. PLEASE NOTE: Public review copy of the agenda packet is available at the Directors' table at the Board meetings.

2. **ORAL COMMUNICATIONS.** (This place on the agenda is reserved for comments and inquiries from citizens and Board members concerning matters that do not otherwise appear on the agenda. Speakers shall be requested to provide their names and addresses prior to giving public comments or making inquiries.)

CC 3. **APPROVAL OF THE MINUTES.** Approval of the minutes of the regular meeting of January 10, 2018 (APPROVE)

CC 4. **APPROVAL OF MONTHLY A/P VOUCHER - TRANSMITTAL #8** (APPROVE)

CC 5. **APPROVAL OF MONTHLY FINANCIAL REPORT.** December 2017/January 2018 (APPROVE)

NEW BUSINESS

6. Review and Accept FY16-17 Financial Statements and Independent Auditor's Review – Presentation by Justin Williams, MUN CPAs (ACTION)

7. **FIRE CHIEF'S REPORT**

- a. Review of Operations.
- b. Regional issues and developments.
- c. Correspondence from Charles Toombs; response from Emergency Preparedness Coordinator B/C Gibson

8. **PRESIDENT'S REPORT**

NEW BUSINESS CONTINUED

9. Report on Preliminary Fault Investigation from Rockridge Geotechnical for Proposed Kensington Essential Services Building (ACTION)
10. Fiscal Year 2017-2018 Mid-Year Budget Review and Proposed Budget Revisions – Finance Committee (ACTION)

11. **BOARD REPORTS**

Informational reports from Board members or staff covering the following assignments:

- a. Finance Committee (Kosel/Harmon): Minutes of June 6, 2017
- b. Public Safety Building (Nagel/Dommer)
- c. Education (Kosel)
- d. Contra Costa County/California Special Districts Assoc. (Nagel/Kosel)
- e. Policy Manual (Nagel/de Ville)
- f. Website (Harmon/de Ville)
- g. Diablo Fire Safe Council/Interface (Staff/Nagel)
- h. Correspondence: LAFCO Upcoming Special District Vacancies; Thank you from Ventura County Fire Department

ADJOURNMENT. The next regular meeting of the Board of Directors of the Kensington Fire Protection District will be held on Wednesday, March 14, 2018, at 7:00 p.m. at the Kensington Community Center, 59 Arlington Avenue, Kensington, CA 94707.

The deadline for agenda items to be included in the Board packet for the next regular meeting of 3/14/18 is Wednesday, 2/28/18 by 1:00 p.m. The deadline for agenda-related materials to be included in the Board packet is Wednesday, 3/7/18 by 1:00 p.m., Fire Protection District Administration Office, 217 Arlington Ave., Kensington.

IF YOU CHALLENGE A DECISION OF THE BOARD OF DIRECTORS IN COURT, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES YOU OR SOMEONE ELSE RAISED AT THE BOARD MEETING OR IN WRITTEN CORRESPONDENCE DELIVERED AT, OR PRIOR TO, THE BOARD MEETING

CONSENT CALENDAR

**MINUTES OF THE JANUARY 10, 2018 MEETING OF THE BOARD OF DIRECTORS
OF THE KENSINGTON FIRE PROTECTION DISTRICT**

PRESENT: **Directors:** Joe de Ville, Don Dommer, Nina Harmon, Janice Kosel and Larry Nagel (via teleconference)
 Staff: Chief Lance Maples and Manager Brenda Navellier

CALL TO ORDER:

President Janice Kosel called the meeting to order at 7:00 p.m. and noted that all Directors were present. Kosel pointed out that Director Nagel was attending the meeting via teleconference and was on speaker phone.

President Kosel reordered the agenda and moved to agenda item #9 to accommodate Colleen Haley's attendance.

NEW BUSINESS:

Presentation of District Transparency Certificate of Excellence by Colleen Haley of the Special District Leadership Foundation: Ms. Haley introduced herself and explained her role in the California Special District Association as the Public Affairs Field Coordinator. Haley explained that SDLF has two programs for Districts as a whole – the Transparency Certificate and the District of Distinction – which KFPD has earned in the past and also a program for individual Board Trustees and high-level staff. Haley said that the Certificate of Excellence was created in 2013 and the main components for achievement are ethics training certificates, timely filing with the State Controller's office of all financial transactions and compensation reports, website outreach requirements, and outreach requirements including a regular district newsletter and annual public budget hearings. Transparency is important because the public has the right to access open government, the District's business is the public's business and transparency means that KFPD is open, accessible and engages the community. Transparency allows for accountability. Haley presented the District Transparency Certificate of Excellence to the Kensington Fire Protection District for their efforts. The Board thanked Haley for her presentation and the certificate.

APPROVAL OF CONSENT ITEMS:

President Kosel presented outgoing President Dommer with flowers and thanked him for his last two years of leadership as President of the District. All the Board members thanked Dommer for his work.

President Kosel called for the approval of the consent calendar (items 3, 4, 5 & 6), consisting of approval of the December 13, 2017 minutes, approval of the monthly transmittal #7, approval of the November/December 2017 financial reports, and approval of the December 2017 incident activity report. Director Kosel pulled item 3 from the consent calendar at a citizen's request. Director Harmon made a motion to approve the Consent Calendar items 4, 5 and 6 as submitted. Director de Ville seconded the motion. President Kosel took the vote by roll call.

AYES: de Ville, Dommer, Harmon, Kosel, Nagel
NOES: None
ABSTAIN: None

ORAL COMMUNICATIONS:

Catherine de Neergard asked what was happening with the building plans. Kosel explained the geotech report was presented at the December meeting. KFPD is waiting for a written summary of that report. KPPCSD is getting a legal opinion about any possible building on the park site. The District is waiting for more information.

APPROVAL OF DECEMBER 13, 2017 MINUTES:

Anthony Knight commended Navellier on the minutes of the geophysical investigation from the December meeting. He did point out that the term "survey line" was used in the presentation many times and he thought it should be used the first time the term is referenced instead of the "geophysical lines" that is referred to. Under New Business, line 14, the Board agreed to enter "survey lines" in parenthesis after "geophysical lines". On page 3, line 1, Knight suggested that "mobilize" should be changed to "stabilize" which would be a more accurate description. President Kosel directed Navellier to listen to the minutes and see what word the speaker used and change the wording if that is what is reflected. Knight also suggested attaching the geophysical report to the minutes. Navellier

noted that the report is on the District's website. Director Harmon made a motion to accept the minutes as amended. Director Dommer seconded the motion. Director Kosel took a vote by roll call.

AYES: de Ville, Dommer, Harmon, Kosel, Nagel
NOES: None
ABSTAIN: None

FIRE CHIEF'S REPORT:

Chief Maples gave an annual review of the CERT program during 2017. Interest is very high from the public this year largely due to the recent events and natural disasters. The recent November boot camp was capped at 25 people but interest was so high that the class ended up being 33 students. The program is experiencing very robust attendance and our west county agency partnerships continue to be strong for the program drills. CERT supply sheds are continuing to evolve in Kensington and the department is thankful to B/C Carr for his work on that program. There was an increase in the fire department budget for FY17-18 to include greater CERT outreach to both the El Cerrito and Kensington communities. A CERT postcard was sent out in late November and the first class for 2018 was full within two days. In addition, during the past year, CERT Area Coordinators have been attending street fairs, farmers' markets, the El Cerrito centennial celebrations and 4th of July Fair to reach out to the public about CERT. Marlene Keller, of El Cerrito's Area 2, kept track of all contacts made which numbered 1,300 during the year. The program is looking forward to full attendance at classes, drills and boot camps. B/C Janes is the new Battalion Chief in charge of the CERT program and he has hit the ground running since last summer. Catherine de Neergard asked if the department could offer more classes to cover the increased interest? Chief Maples said that the department currently offers three full programs plus two one-day boot camps throughout the year and the is quite a lot since many of the instructors have to teach on their days off. The department is recruiting new CERT teachers from the ranks and they are shadowing the current teachers which will hopefully give us more depth for the future.

PRESIDENT'S REPORT:

President Kosel announced that she would be appointing committee assignments for 2018.
Finance Committee: Directors Kosel and Harmon
Public Safety Building: Directors Dommer and Nagel
Education: Director Kosel
California Special Districts Association: County – Director Nagel; State – Director Kosel
Diablo Fire Safe Council: Staff and Director Nagel
Policy and Procedures Manual: Directors Nagel and de Ville
Demonstration Garden: Staff and Director Kosel
Website Development (new): Directors Harmon and de Ville with staff

Director Kosel hopes that all Directors are pleased with the new appointments and if anyone is not, to let her know. She tried to put Directors where they could make the most use of their talents.

Director Kosel noted that the second Wednesday of February lands on Valentine's Day, February 14th. If the Board agrees, Kosel is open to moving the meeting to either 2/7/18 or 2/21/18 to better accommodate the Directors, staff and the public. Director Dommer suggested the 21st in order to give the geotechnical team time to finish their report. Director Kosel suggested the 7th in order to more evenly distribute the meetings. Everyone agreed by consensus to move the meeting date to 2/7/18.

NEW BUSINESS CONTINUED:

Proposal from Casper Landscape Design for Community Demonstration Garden landscape design services in the amount of \$4,500: Kosel noted the proposal that was included in the Board packet and also pointed out that this was for design only. Navellier added that installation would probably have to be bid, depending on cost. Kosel pointed out that irrigation is also not included. Linnea Due asked if most landscaping contractors also do design? Kosel said she thinks some do. Kosel noted that Casper Landscape was involved in the Oakland Fire Safe Council Demonstration Garden and is extraordinarily qualified. Director Nagel asked if the District plans on having a hand-out describing the garden and the plants. Kosel agreed that was a good idea and added that the plants will also be labeled. Nagel thinks a handout will make the garden more of a community service. Kosel added that the garden will have informational signboards. Kosel suggested anyone who hasn't seen the Oakland Fire Safe Garden to take

a tour. Catherine de Neergard asked if there was going to be open bidding for the contract? Kosel responded it is not required for a \$4,500 contract nor for design services. Again, the installation will probably have to be bid. de Neergard thinks Kensington professionals may be interested in providing the service. Director made a motion to accept the proposal as submitted by Casper Landscape Design in the amount of \$4,500. Director de Ville seconded the motion. Director Kosel took the vote by roll count.

AYES: de Ville, Dommer, Harmon, Kosel, Nagel
NOES: None
ABSTAIN: None

OLD BUSINESS:

Request from Kensington Green to Consider Opt-Up to Marin Clean Energy's 100% Renewable Electric for the Public Safety Building: Kosel noted that this item was tabled from the December 2017 meeting. Kensington Green representative Meldan Heaslip introduced himself to the Board and thanked the Board for their consideration. Heaslip noted that there is an opportunity with MCE coming to Kensington to opt-up to 100% clean renewable energy. Everyone is automatically enrolled in "light green" which is about 55% renewable energy but the Board must take action to opt-up to 100% since it comes with a slight premium. Half of the premium goes toward investing in future energy saving projects such as solar panels. Heaslip noted that KPPCSD has chosen to opt-up the community center and he hopes he can use both agencies to promote 100% renewable energy in the community of Kensington. MCE goes live in Kensington in April 2018 but one can start opting-up immediately. PG&E will continue to deliver gas and electric but MCE will procure the electricity. The opt-up cost for the public safety building would be approximately \$50 a month based on the previous 12 months bills. Director Kosel made a motion to opt-up to MCE's 100% renewable electric for the public safety building. Director Harmon seconded the motion. de Neergard said it is important to support reversing climate change. Knight added it is a wonderful opportunity and he is in support of it. Director Kosel took the vote by roll call.

AYES: de Ville, Dommer, Harmon, Kosel, Nagel
NOES: None
ABSTAIN: None

BOARD REPORTS:

Finance: Director Kosel reported that the Finance Committee will meet in the last week of January. Navellier is working on setting the date.

Public Safety Building: Director Dommer said that the District is waiting on the final geotechnical report. He hopes that the report will be in the February packet.

Education: Director Kosel noted that the District posted the next couple of CPR/First Aid classes (2/24 and 4/7) on NextDoor. Maples noted Engineer/Paramedic Hood is the lead on the program.

CSDA: The next meeting will be held on Monday, January 22nd. Nagel will not be able to attend.

DFSC: The next meeting will be held on Thursday, January 18th. Nagel will not be able to attend but Fire Prevention Officer Joe Gagne and resident Ciara Wood will both attend.

Correspondence: Thank yous from the firefighters were received for the annual holiday meal.

Director Kosel noted that the District hasn't made any new trading cards since there has been recent turnover. Maples noted that we are finishing up the Class A portraits of staff and will be working on the trading cards next. Director Dommer gave a summary of the first medical call of 2018 which was for himself and his dog in front of Station 65.

Ciara Wood said that DFSC is redefining how they will work this year without grants from the State. However, because of the fund raising in Kensington and the special account fund for Kensington, special projects in Kensington can still be pursued. Wood will get the final contribution amount to the District by the end of January. Contribution from residents can be made to Diablo Fire Safe Council.

ADJOURNMENT: The meeting was adjourned at 7:55 p.m.

MINUTES PREPARED BY: Brenda J. Navellier

These minutes were approved at the regular Board meeting of the Kensington Fire Protection District on February 7, 2018.

Attest:

Joe de Ville, Board Secretary

TRANSMITTAL - APPROVAL

TO: Auditor Controller of Contra Costa County.

Forwarded herewith are the following invoices and claims for goods and services received which have been approved for payment:

KENSINGTON FPD										PY/CY:
TRANSMITTAL - APPROVAL										BATCH #:
Invoices										DATE:
										LOCATION #:
										FILENAME:
VEND	VENDOR NAME	INVOICE DATE	DESCRIPTION	FUND	SUB ACCT	TASK	OPT	ACHVMT	ENGUMB	PAYMENT
								WORK	PO	AMOUNT
50046	Mann Urrutia Nelson CPAs	01/31/18	13192 audit/state controller report	7840	2490					3,000.00
50096	Diablo Fire Safe Council	02/02/18	matching grants 2017	7840	2490					19,116.00
50131	Meyers Nave	01/24/18	2017120326 legal counsel	7840	2490					2,485.08
50146	Delta Dental	02/01/18	BE002557087 Feb dental	7840	1061					1,008.86
50148	CalPERS	01/16/18	7072901257 Mar medical	7840	1061					6,944.24
50147	KFPD Revolving Fund	02/02/18	Reimburse revolving fund	7840	2490					14,104.01
50150	Vision Service Plan	01/18/18	001027770001 Feb vision	7840	1061					323.10
50151	City of El Cerrito	02/01/18	Feb fire protection	7840	2328					230,157.19
	Deborah Russell	01/31/18	66154 - Sep thru Dec acctg	7840	2490					2,922.50
TOTAL										280,060.98

Kensington FPD Approval

Date: 1/1/18
Mandy Alvarez
 Date: 2/2/18

2/2/18

Attachment to Transmittal 020218

Kensington Fire Protection District Revolving Fund 01406

Detailed invoice for reimbursement to the Revolving Fund for payment of the following expenditures:

INVOICE DATE	DESCRIPTION	AMOUNT
1/2/2018	Mechanics Bank -fees	35.00
1/4/2018	PG&E - electric	762.54
1/4/2018	PG&E - gas	199.64
1/17/2018	Payroll processing	113.10
1/17/2018	Payroll - 1/1-1/15/18	2,531.14
1/17/2018	Withholding payroll taxes 1/1-1/15/18	1,363.62
1/17/2018	Addtl payroll 1/1-1/15/18 - reimburse	77.93
1/18/2018	Landscape design consultation	375.00
1/9/2018	Sprint - telephone	63.37
1/5/2018	AT&T - telephone	452.88
1/11/2018	Air Exchange - plymovent repair	808.66
1/5/2018	Office Depot - office supplies	169.99
12/20/2017	James Art - fire sprinkler review	376.50
1/12/2018	Chem Dry - ff quarters	305.00
1/18/2018	Pagepoint - website	67.50
2/1/2018	Stericycle - medical waste	406.70
1/11/2018	Mechanics Bank -office supplies, plan copies, flowers	773.29
2/2/2018	Payroll processing	63.10
2/2/2018	Payroll - 1/16-1/31/18	2,396.67
2/2/2018	Withholding payroll taxes 1/16-1/31/18	1,083.86
2/1/2018	All-Ways Green - janitorial	105.00
1/22/2018	Comcast - internet	141.08
2/1/2018	Pagepoint - website	45.00
2/5/2018	ICMA/RC - deferred comp Jan	1,387.44
	Total	14,104.01

Please complete the enclosed deposit ticket and mail in the attached envelope to The Mechanics Bank.

Kensington Fire Protection District
Balance Sheet
As of January 11, 2018

	Jan 11, 18
ASSETS	
Current Assets	
Checking/Savings	
Petty Cash	200.00
KFPD Revolving Acct - Gen Fund	8,709.60
General Fund	1,684,420.99
Special Tax Fund	103,877.17
Capital Fund	6,911.77
Total Checking/Savings	1,804,119.53
Accounts Receivable	
Due from County for Reimb.	17,983.35
Accounts Receivable	481.09
Interest Receivable	607.64
Advance on Taxes	1,863,663.39
Advance on Supplemental Taxes	65,560.84
Total Accounts Receivable	1,948,296.31
Other Current Assets	
Prepaid Services - EC	1,413,453.64
Prepaid Exp.	1,309.00
Prepaid CERBT - Retiree Trust	929,113.99
Investments	
Capital Replacement Funds	2,418,425.00
Fire Protect. Contract Reserves	2,552,869.07
Investments - Other	-318,005.46
Total Investments	4,653,288.61
Total Other Current Assets	6,997,165.24
Total Current Assets	10,749,581.08
Fixed Assets	
Land	5,800.00
Equipment	1,424,095.28
Accumulated Depreciation-Equip	-652,155.15
Building and Improvements	2,391,581.26
Accumulated Depreciation - Bldg	-929,467.00
Current Capital Outlay	
Firefighters Qtrs/Equip	4,954.06
Total Current Capital Outlay	4,954.06
Total Fixed Assets	2,244,808.45
TOTAL ASSETS	12,994,389.53
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Due to Revolving Acct - Gen Fnd	17,983.35
Due to Other - Issued by CCC	19,427.39
Total Accounts Payable	37,410.74
Other Current Liabilities	
EI Cerrito Service Contract Pay	1,413,453.57
Wages & PR Taxes Payable	1,630.36
Total Other Current Liabilities	1,415,091.93
Total Current Liabilities	1,452,502.67
Total Liabilities	1,452,502.67
Equity	

Kensington Fire Protection District
Balance Sheet
As of January 11, 2018

	Jan 11, 18
Fund Equity - General	3,325,448.26
Fund Equity - Capital Projects	548,373.00
Fund Equity - Special Revenue	17,789.00
Fund Equity - Gen Fixed Asset	1,321,009.00
Fund Equity	4,052,257.79
Net Income	2,277,009.81
Total Equity	11,541,886.86
TOTAL LIABILITIES & EQUITY	12,994,389.53

**Kensington Fire Protection District
Revenue & Expense Prev Year Comparison**

July 1, 2017 through January 11, 2018

	Jul 1, '17 - Jan 11, 18	Jul 1, '16 - Jan 11, 17	\$ Change	% Change
Ordinary Income/Expense				
Income				
Property Taxes	3,633,365.41	3,634,456.11	-1,090.70	0.0%
Special Taxes	200,395.20	200,287.30	107.90	0.1%
Lease Agreement	17,734.02	1.00	17,733.02	1,773,302.0%
Interest Income	19,945.71	12,130.76	7,814.95	64.4%
Salary Reimbursement Agreement	27,092.05	26,532.00	560.05	2.1%
Miscellaneous Income	1,181.74	1,388.24	-206.50	-14.9%
Total Income	3,899,714.13	3,874,795.41	24,918.72	0.6%
Expense				
OUTSIDE PROFESSIONAL SERVICES				
LAFCO Fees	2,122.85	2,123.97	-1.12	-0.1%
Contra Costa County Expenses	2,820.51	2,646.00	174.51	6.6%
El Cerrito Contract Fee	1,413,453.60	1,276,434.53	137,019.07	10.7%
Fire Abatement Contract	0.00	265.00	-265.00	-100.0%
Risk Management Insurance	13,268.00	12,106.00	1,162.00	9.6%
Professional Fees				
Accounting	1,056.25	1,755.00	-698.75	-39.8%
Actuarial Valuation	5,500.00	0.00	5,500.00	100.0%
Audit	13,000.00	13,000.00	0.00	0.0%
Legal Fees	7,133.40	15,890.04	-8,756.64	-55.1%
Total Professional Fees	26,689.65	30,645.04	-3,955.39	-12.9%
Wildland Vegetation Mgmt	850.00	0.00	850.00	100.0%
Total OUTSIDE PROFESSIONAL SER...	1,459,204.61	1,324,220.54	134,984.07	10.2%
RETIREE MEDICAL BENEFITS				
PERS Medical	40,137.89	21,495.81	18,642.08	86.7%
Delta Dental	5,044.30	3,366.79	1,677.51	49.8%
Vision Care	1,607.60	1,035.23	572.37	55.3%
Total RETIREE MEDICAL BENEFITS	46,789.79	25,897.83	20,891.96	80.7%
COMMUNITY SERVICE ACTIVITIES				
Public Education	2,915.26	3,831.42	-916.16	-23.9%
Comm. Pharmaceutical Drop-Off	1,108.79	1,008.88	99.91	9.9%
Vial of Life Program	98.91	0.00	98.91	100.0%
CERT Emerg Kits/Sheds/Prepared	590.91	10,903.34	-10,312.43	-94.6%
Open Houses	307.13	335.83	-28.70	-8.6%
Community Shredder	1,308.97	1,162.05	146.92	12.6%
Community Sandbags	754.08	1,253.43	-499.35	-39.8%
Total COMMUNITY SERVICE ACTIVITI...	7,084.05	18,494.95	-11,410.90	-61.7%
DISTRICT ACTIVITIES				
Firefighter's Apparel & PPE	0.00	22,609.84	-22,609.84	-100.0%
Firefighters' Expenses	1,113.86	164.53	949.33	577.0%
Staff Appreciation	805.11	0.00	805.11	100.0%
Professional Development	1,117.02	2,121.59	-1,004.57	-47.4%
Building Maintenance				
Needs Assess/Feasibility Study	16,376.00	93,682.62	-77,306.62	-82.5%
Janitorial Service	735.00	630.00	105.00	16.7%
Medical Waste Disposal	2,753.51	1,704.63	1,048.88	61.5%
Building alarm	115.00	115.00	0.00	0.0%
Gardening service	360.00	480.00	-120.00	-25.0%
Miscellaneous Maint.	8,691.00	5,149.71	3,541.29	68.8%
Total Building Maintenance	29,030.51	101,761.96	-72,731.45	-71.5%
Building Utilities/Service				
Gas and Electric	4,244.65	5,743.50	-1,498.85	-26.1%
Water/Sewer	1,474.54	1,257.77	216.77	17.2%
Total Building Utilities/Service	5,719.19	7,001.27	-1,282.08	-18.3%
Memberships	7,008.00	6,676.00	332.00	5.0%
Office				
Office Expense	2,144.14	424.26	1,719.88	405.4%
Office Supplies	297.41	344.02	-46.61	-13.6%
Telephone	3,861.64	3,669.41	192.23	5.2%
Total Office	6,303.19	4,437.69	1,865.50	42.0%
Total DISTRICT ACTIVITIES	51,096.88	144,772.88	-93,676.00	-64.7%
Staff				
Wages	43,218.84	41,556.60	1,662.24	4.0%
Longevity Pay	1,000.00	1,000.00	0.00	0.0%
Overtime Wages	810.32	419.54	390.78	93.1%
Medical/dental Ins compensation	4,095.00	4,095.00	0.00	0.0%
Retirement Contribution	3,284.64	3,158.28	126.36	4.0%
Payroll Taxes	3,995.68	3,818.25	177.43	4.7%
Workers Compensation/Life Ins	1,301.43	1,343.57	-42.14	-3.1%
Payroll Processing	823.08	792.98	30.10	3.8%
Total Staff	58,528.99	56,184.22	2,344.77	4.2%

**Kensington Fire Protection District
Revenue & Expense Prev Year Comparison**

July 1, 2017 through January 11, 2018

	Jul 1, '17 - Jan 11, 18	Jul 1, '16 - Jan 11, 17	\$ Change	% Change
Total Expense	1,622,704.32	1,569,570.42	53,133.90	3.4%
Net Ordinary Income	2,277,009.81	2,305,224.99	-28,215.18	-1.2%
Other Income/Expense				
Other Income				
Transfers In - Capital	0.00	350,000.00	-350,000.00	-100.0%
Transfers In - General	104,052.70	370,360.08	-266,307.38	-71.9%
Total Other Income	104,052.70	720,360.08	-616,307.38	-85.6%
Other Expense				
Transfers Out - Capital	9,052.70	370,360.08	-361,307.38	-97.6%
Transfers Out - Special	95,000.00	0.00	95,000.00	100.0%
Transfers Out - General	0.00	350,000.00	-350,000.00	-100.0%
<Gain>/Loss on Asset Disposal	0.00	-30,000.00	30,000.00	100.0%
Total Other Expense	104,052.70	690,360.08	-586,307.38	-84.9%
Net Other Income	0.00	30,000.00	-30,000.00	-100.0%
Net Income	2,277,009.81	2,335,224.99	-58,215.18	-2.5%

**Kensington Fire Protection District
Revenue & Expense Budget vs. Actual**

July through December 2017

	Jul - Dec 17	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Property Taxes	3,633,365.41	3,800,000.00	-166,634.59	95.6%
Special Taxes	200,395.20	200,287.00	108.20	100.1%
Other Tax Income	0.00	0.00	0.00	0.0%
Lease Agreement	14,778.35	17,734.98	-2,956.63	83.3%
Interest Income	18,383.21	10,450.00	7,933.21	175.9%
Salary Reimbursement Agreement	21,673.64	28,936.50	-7,262.86	74.9%
Miscellaneous Income	1,181.74	0.00	1,181.74	100.0%
Total Income	3,889,777.55	4,057,408.48	-167,630.93	95.9%
Expense				
OUTSIDE PROFESSIONAL SERVICES				
LAFCO Fees	2,122.85	2,200.00	-77.15	96.5%
Contra Costa County Expenses	2,711.76	2,775.50	-63.74	97.7%
El Cerrito Contract Fee	1,177,878.00	1,413,453.52	-235,575.52	83.3%
Water System Improvements	0.00	5,000.00	-5,000.00	0.0%
Fire Abatement Contract	0.00	0.00	0.00	0.0%
Risk Management Insurance	13,268.00	13,163.00	105.00	100.8%
Professional Fees				
Accounting	1,056.25	2,370.00	-1,313.75	44.6%
Actuarial Valuation	5,500.00	3,600.00	1,900.00	152.8%
Audit	13,000.00	16,000.00	-3,000.00	81.3%
Legal Fees	7,133.40	19,999.98	-12,866.58	35.7%
Total Professional Fees	26,689.65	41,969.98	-15,280.33	63.6%
Wildland Vegetation Mgmt	850.00	1,000.00	-150.00	85.0%
Total OUTSIDE PROFESSIONAL SER...	1,223,520.26	1,479,562.00	-256,041.74	82.7%
RETIREE MEDICAL BENEFITS				
PERS Medical	40,137.89	0.00	40,137.89	100.0%
Delta Dental	4,035.44	0.00	4,035.44	100.0%
Vision Care	1,607.60	0.00	1,607.60	100.0%
Total RETIREE MEDICAL BENEFITS	45,780.93	0.00	45,780.93	100.0%
COMMUNITY SERVICE ACTIVITIES				
Public Education	2,870.26	4,850.00	-1,979.74	59.2%
Comm. Pharmaceutical Drop-Off	1,108.79	2,000.00	-891.21	55.4%
Vial of Life Program	98.91	0.00	98.91	100.0%
CERT Emerg Kits/Sheds/Prepared	590.91	6,000.00	-5,409.09	9.8%
Open Houses	307.13	1,200.00	-892.87	25.6%
Community Shredder	1,308.97	1,375.00	-66.03	95.2%
DFSC Matching Grants	0.00	0.00	0.00	0.0%
Firesafe Planting Grants	0.00	1,000.00	-1,000.00	0.0%
Demonstration Garden	0.00	1,000.00	-1,000.00	0.0%
Community Sandbags	764.08	2,500.00	-1,745.92	30.2%
Total COMMUNITY SERVICE ACTIVITI...	7,039.05	19,925.00	-12,885.95	35.3%
DISTRICT ACTIVITIES				
Firefighter's Apparel & PPE	0.00	0.00	0.00	0.0%
Firefighters' Expenses	1,113.86	5,010.00	-3,896.14	22.2%
Staff Appreciation	805.11	500.00	305.11	161.0%
Professional Development	1,117.02	2,580.00	-1,462.98	43.3%
Building Maintenance				
Needs Assess/Feasibility Study	16,376.00	20,000.00	-3,624.00	81.9%
Storage Room Emergency Repair	0.00	0.00	0.00	0.0%
Janitorial Service	630.00	750.00	-120.00	84.0%
Medical Waste Disposal	2,346.81	2,500.02	-153.21	93.9%
Building alarm	115.00	300.00	-185.00	38.3%
Gardening service	240.00	950.00	-710.00	25.3%
Miscellaneous Maint.	5,191.00	6,000.00	-809.00	86.5%
Total Building Maintenance	24,898.81	30,500.02	-5,601.21	81.6%
Building Utilities/Service				
Garbage	0.00	0.00	0.00	0.0%
Gas and Electric	3,763.56	3,750.00	13.56	100.4%
Water/Sewer	1,474.54	1,020.00	454.54	144.6%
Total Building Utilities/Service	5,238.10	4,770.00	468.10	109.8%
Election	0.00	0.00	0.00	0.0%
Memberships	7,008.00	7,035.00	-27.00	99.8%
Office				
Office Expense	2,109.14	1,500.00	609.14	140.6%
Office Supplies	297.41	1,260.00	-962.59	23.6%
Telephone	3,204.73	3,990.00	-785.27	80.3%
Total Office	5,611.28	6,750.00	-1,138.72	83.1%
Total DISTRICT ACTIVITIES	45,792.18	57,145.02	-11,352.84	80.1%
Staff				
Wages	43,218.84	43,210.02	8.82	100.0%
Longevity Pay	1,000.00	1,000.00	0.00	100.0%
Overtime Wages	810.32	769.98	40.34	105.2%

**Kensington Fire Protection District
Revenue & Expense Budget vs. Actual**

July through December 2017

	Jul - Dec 17	Budget	\$ Over Budget	% of Budget
Vacation Wages	0.00	0.00	0.00	0.0%
Medical/dental Ins compensation	4,095.00	4,095.00	0.00	100.0%
Retirement Contribution	3,284.64	3,284.00	0.64	100.0%
Payroll Taxes	3,995.68	3,894.48	101.20	102.6%
Workers Compensation/Life Ins	1,301.43	1,400.00	-98.57	93.0%
Payroll Processing	688.08	805.00	-116.92	85.5%
Total Staff	58,393.99	58,458.48	-64.49	99.9%
Contingency				
General	0.00	8,333.34	-8,333.34	0.0%
Total Contingency	0.00	8,333.34	-8,333.34	0.0%
Total Expense	1,380,526.41	1,623,423.84	-242,897.43	85.0%
Net Ordinary Income	2,509,251.14	2,433,984.64	75,266.50	103.1%
Other Income/Expense				
Other Income				
Transfers In - Capital	0.00	0.00	0.00	0.0%
Transfers In - General	104,052.70	0.00	104,052.70	100.0%
Total Other Income	104,052.70	0.00	104,052.70	100.0%
Other Expense				
Depreciation Expense	0.00	0.00	0.00	0.0%
Transfers Out - Capital	9,052.70	0.00	9,052.70	100.0%
Transfers Out - Special	95,000.00	0.00	95,000.00	100.0%
Transfers Out - General	0.00	0.00	0.00	0.0%
<Gain>/Loss on Asset Disposal	0.00	0.00	0.00	0.0%
Total Other Expense	104,052.70	0.00	104,052.70	100.0%
Net Other Income	0.00	0.00	0.00	0.0%
Net Income	2,509,251.14	2,433,984.64	75,266.50	103.1%

CHIEF'S REPORT

KENSINGTON FIRE PROTECTION DISTRICT MEMORANDUM

February 2018

TO: President and Board Members, Kensington Fire Protection District

FROM: Lance J. Maples, Fire Chief

SUBJECT: **Fire Chief's Report**

TRAINING 2017

In 2017, the Training Division saw a transition from the 12-year training veteran to a brand new Training Chief. The newly promoted Battalion Chief is a 17-year veteran with the department and has a lot of new and innovative ideas that will be coupled with the tried and true tradition that has been a proven staple in the El Cerrito Fire Department for many years. Even with that mid-year changing of the guard, the Training Division had another strong year of training programs including on line, classroom hands on and live fire. In 2017 we delivered training to ECFD personnel in the areas of performance evolutions, personal safety, engine and truck company operations, rescue operations, technical rescue operations and wildland operations. In addition, there were several classes conducted for firefighter safety, hazard awareness, fire prevention/target hazards, emergency operations and emergency medical training for both EMTs and Paramedics. We also enjoyed a productive year in several program areas with continued efforts in compliance training, our partnership with California Fire Fighter Joint Apprenticeship Committee (CFFJAC) and continued cooperative training agreements with all fire agencies in West Contra Costa County including Richmond Fire Department, Contra Costa County Fire Protection District, Pinole Fire Department, Chevron Fire Department and Rodeo-Hercules Fire Protection District. In 2017, we continued our successful use of the electronic Fire Master Calendar as well as Target Solutions. Both programs will be an integral tool moving into 2018 and beyond.

In 2017, we completed our twelfth year working with the online training company TargetSolutions which assists us in compliance training with our Injury, Illness & Prevention Program (IIPP), City of El Cerrito policy review, Contra Costa County Operational Area policy review and didactic training prior to field training just to name a few. In 2017, members of the El Cerrito Fire Department completed 1,037 hours of online training that included annual hazardous materials refresher, wildland refresher, basic and advanced medical training, driver safety, firefighter safety and operational training.

The Department also continued its agreement with the California Fire Fighter Joint Apprenticeship Committee (CFFJAC) which is a joint labor and management training program at the state-level. Currently, we have 11 of our line personnel enrolled in the CFFJAC Program who will complete between 2,000 and 4,000 hours of training to earn journey level status in their perspective rank in accordance with program guidelines. Based on program guidelines these training hours generate State apprenticeship funds which are then used to pay for online training through TargetSolutions, annual maintenance of our Fireblast Fire Training Simulator, advanced life support training and other training materials.

Throughout the year, 136 performance evolutions were completed for personal safety, engine and truck company operations along with wildland safety and survival. Each of these performance evolutions were evaluated by the shift Battalion Chief to ensure that shift personnel met the approved standards as outlined by the Standards Committee. Completed performance evolutions were also examined by the Training Division to ensure that all field personnel met the standards as outlined by the El Cerrito Fire Department and the Standards Committee.

In addition to the 1,037 hours of online training, El Cerrito Firefighters recorded 14,251 hours of training in an array of training categories that included Emergency Medical Training along with physical fitness training which once again demonstrates their dedication and commitment to serving our communities.

In 2017 training was also conducted in the following areas:

- Operational Training (Performance Evolutions & Quarterly Truck Training)
- Multi-Company Training with Richmond, County, Chevron, Pinole & Rodeo-Hercules
- Wildland Training for Annual Refresher, Standards, MRA Drills and Fire Trails
- Quarterly Training for Basic and Advanced EMS
- Specialized EMS Training for Alzheimer's, Dementia and Autism
- Topographic map navigation
- Technical Rescue Training for Confined Space, LARRO, Auto Extrication
- Quarterly Safety Training, Facility Tours and Pre-Planning
- Evidence and Scene Preservation Training
- NFPA 1404 Air Management Training
- Live Fire Training in Fireblast Training Unit
- EBMUD Training
- Terrorism Awareness Training
- OSHA Reporting Requirements and Procedures
- High-Rise Fire Training
- Truck Training hands on with buildings within our city
- Hands on Forcible Entry and Ventilation training via donated pre construction property
- New Hire and Probationary Firefighter Training for Three New Firefighters

As we look ahead to 2018, we will continue to build on previous years training in order to plan for another year of well-rounded, dynamic training to increase firefighter safety and operational aptitude and awareness. Continued development of training partnerships will also be a key point for 2018. The full implementation of the Technical Rescue Group should also bring several training classes to the Department the will better train our personnel in technical rescue operations.

In 2018 we may be faced with transiting to a new training facility as the Richmond Fire Department Training Facility, located at 3506 Cutting Blvd., has been sold with a new housing project slated to occupy that location. El Cerrito has been jointly occupying that facility with Richmond since 1983. The exact closing date of the facility is yet to be determined and we will continue to train at the facility as long as possible. El Cerrito Fire and Richmond Fire continue to seek relocation plans which may include partnering with Chevron Fire at a facility on or near the refinery in Richmond.

Brenda Navellier

To: Brenda Navellier
Subject: After the Mudslides, an Absence in Montecito | The New Yorker

From: Charles Toombs <cet@mcinerney-dillon.com>
Date: Mon, Jan 22, 2018 at 9:38 PM
Subject: After the Mudslides, an Absence in Montecito | The New Yorker
To: KensingtonFirePD <KensingtonFirePD@aol.com>, Nina Harmon
<Nina.Harmon@gmail.com>
CC: Tony Constantouros <TConstantouros@kensingtoncalifornia.org>, Lynn
Wolter <lwolter@kensingtoncalifornia.org>

Dear Brenda and Nina:

I read with some alarm the attached piece on the Santa Barbara fire and accompanying mudslides. It brought to mind the current state of emergency preparedness in our own township.

I wish to know what emergency planning you have in mind for a firestorm or any other natural disaster. I have heard from all corners that the Fire Department controls disaster planning- indeed Nina told me this personally some time back.

Can I ask that you please prepare a summary of your disaster preparedness for public distribution so we can know what your plans are?

I also ask that you out this email and accompanying piece into your next agenda package as public correspondence from a concerned resident.

Finally I am including Tony Constantouros and Lynn Wolter so they may include this in the Police District agenda material for their next board meeting in February so the new Police Board (well not exactly New after over a year in office) can similarly contemplate what it will do in an emergency in conjunction with your agency and share that planning with their community.

I believe all of us should know how much both agencies are capable of doing and how much we residents should expect to do.

Thank you for your courtesies.

Chuck Toombs

<https://www.newyorker.com/culture/cultural-comment/after-the-mudslides-an-absence-in-montecito>

Sent from my iPhone

THE
NEW YORKER

THE ABSENCE IN MONTECITO

By T. Coraghessan Boyle January 22, 2018



In the devastated area, houses vanished, trees were uprooted like weeds, and the slurry of mud and ash rose as high as fifteen feet in some places.

Photograph by Wally Skallij / Los Angeles Times / Getty

The eerie thing about these nights in Montecito has to do with absence. The absence, first of all, of my neighbors, almost all of whom are under a mandatory evacuation order. They are gone, their houses dark, their cars rolling down other streets altogether—or, in the worst cases, crushed as if for repurposing in the scrap yard. Most homes are without electricity, which brings the darkness close, and the stillness too. Apart from the sounds of nature—the muffled hoots of the owls come to nest in the woods out back of my house and the chirrup of the tree frogs enlivened by the first rain here in nearly a year—there is the delicate, almost apologetic beeping of the heavy

equipment brought in to clear away the debris. The helicopters, a continuous, twenty-four-hour-a-day presence during the first week, are for the most part gone now, the survivors airlifted to safety and the search for the missing left to the cadaver dogs.

I moved here twenty-five years ago, attracted by the natural beauty and semirural ambience, the short walk to the beach and the Lower Village, and the enveloping views of the Santa Ynez Mountains, which rise abruptly from the coastal plain to hold the community in a stony embrace. We have no sidewalks here, if you except the business districts of the Upper and Lower Villages—if we want sidewalks, we can take the five-minute drive into Santa Barbara or, more ambitiously, fight traffic all the way down the coast to Los Angeles. But we don't want sidewalks. We want nature, we want dirt, trees, flowers, the chaparral that did its best to green the slopes and declivities of the mountains until last month, when the biggest wildfire in California history reduced it all to ash.

My first intimation of this fire came on a faint whiff of smoke during the early-morning hours of December 5th. I didn't think much of it. We always sleep with the window open, and occasionally, depending on meteorological conditions, our downstairs fireplace will send a furtive thread of smoke up over the house and down through the bedroom window, so this smell of burning was nothing out of the ordinary. Up early, as usual, I was out in the driveway at six-thirty that morning, fetching the newspaper, when my sister-in-law, Christine, who lives twenty-five miles east of us, in Ventura, wheeled through the gates with her two children, three dogs, two cats, and a hastily triaged assortment of possessions crammed into her car. It seemed that a fire had broken out the previous evening near Santa Paula and spread rapidly southwest to Ventura, from which she had been evacuated. She stayed a week, until the evacuation order was lifted, then went back to a house and neighborhood that had been left untouched and whole, though four hundred and twenty-seven other structures had burned within the county lines.

What I didn't understand at that point was how relentless this fire would prove to be. Over the ensuing days, stoked by Santa Ana winds and fed with vegetation desiccated by the extended drought that we've suffered through for the past five years, it would creep along the face of the mountains till it reached us here, on the apocalyptic morning of December 16th. I was on the roof, wearing a surgical mask and wielding a garden hose, when a great black cape of smoke enveloped all of Montecito and whitened everything with ash until you might have mistaken it for snow but for the unnatural heat. We'd evacuated some days earlier, under the voluntary order, but I'd returned on the previous day in anticipation of the predicted high-velocity sundowner winds, hoping to do what I could to save the house, which is constructed entirely of redwood and surrounded by dense forest. At ten-thirty, the police were at the gate, enforcing the newly imposed mandatory evacuation order, and I drove back up the coast to rejoin my wife, my daughter, and our own coddled and oblivious pets. In all, we were stuck in a motel room for ten days, until the order was rescinded and we were able to return home just in time for Christmas. Disaster averted. Case closed. Or so it appeared.

Despite the calm, I vividly recalled "Los Angeles Against the Mountains," John McPhee's hair-raising 1988 essay, in which he wrote of the tenuous relationship between foothill communities and the mountain ranges that overhang them, emphasizing the predictable pattern of autumn wildfires and the debris flows that inevitably follow once the winter rains begin. (And I had the example of my own 1995 novel, "The Tortilla Curtain," in which the climactic action is built around just such a sequence of events.) So I wasn't unprepared for what came next—theoretically, that is. Rain was forecast for the early-morning hours of Tuesday, January 9th, and it was expected to be heavy at times, very heavy. But rain wasn't fire, and, like so many of my neighbors, I was suffering from disaster fatigue after more than a month of uncertainty and dislocation. As far as actual preparation for the storm—sandbagging, packing the car, or heeding the new voluntary evacuation order for the zone in which I live—I wound up doing nothing

beyond positioning a couple of rain barrels under the downspouts, in order to catch the excess for future use. In fact, I welcomed the rain, which came on Monday night as a long, gentle misting sacrament that just barely dampened the streets and shimmered in the leaves of the trees. Feeling celebratory, I walked down to my favorite watering hole in the Lower Village, and, though I barely needed an umbrella, I carried one with me anyway, mindful of the forecast.

The rain awoke my wife and me at three-thirty the next morning, an intense hammering rain that seemed to explode all around us. Still, it was only rain, and I would have drifted back to sleep but for the fact that the sky was brightly lit to the north, where the mountains lie. What was it? Lightning, I reasoned, and then my head was on the pillow and I was asleep. Unfortunately, the source of that light was much more ominous than a lightning strike. As I was later to discover, the concentrated rain—as much as 0.54 of an inch in a single five-minute period, an intensity seen on average just once every two hundred years—propelled a debris flow down the slopes of the denuded mountains, the first indication of which was that fiery glow in the sky. A gas main had been sheared off, and the escaping methane had exploded in flames, incinerating the houses just below it even as the debris flow tore into them and raged on past, gathering force and seeking the low ground. Here's the irony: if the storm had come before the fire, in November, when our rainy season typically begins, perhaps there would have been no fire at all, and certainly any fire that might have arisen would have been far less extensive, and, of course, had the vegetation not burned, the root systems of the chaparral community of plants would have contained or at least minimized any mudflow. But it didn't happen that way. November was drier than normal, and December rainfall amounted to little more than a trace, resulting in the second-driest December on record.

We woke to a gentle rain and the wail of sirens, too many sirens, sirens that multiplied one atop the other and kept on multiplying till it seemed there was no other sound. The electricity was out. There was no newspaper. Though we were just two blocks from ground zero of the worst destruction, our

property—our block—appeared no different from the night before, but for the ordinary effects of heavy rainfall, the scattered branches and palm fronds, dripping trees, runoff in the streets. It wasn't until we drove into Santa Barbara for breakfast—and news—that we began to understand. Or not so much understand as simply be apprised of what had happened, since understanding connotes a way of reckoning with a disaster that, as of this writing, has taken the lives of twenty of my neighbors and left three still unaccounted for, including a two-year-old girl.

And here's a further irony: the mandatory evacuations in advance of the storm were for the people living closest to the slopes, where it was predicted that the worst of the debris flows would occur, but the less urgent voluntary evacuation warnings were issued to those farther downslope, who would wind up taking the brunt of the damage. We were among the lucky ones. Our house, one of the oldest in the community, sits atop a hill, at the bottom of which, to the east, lies the streambed of Montecito Creek. Through most of the year, the creek barely lives up to the name, reduced to a picturesque trickle in a meandering bed of rock and concrete beneath a canopy of oaks and sycamores, but on that night, catastrophically, it jumped its banks and swept to the sea, taking with it everything in its path. Houses vanished, trees were uprooted like weeds, boulders taller than I pounded through the watercourses like the bowling balls of titans, and the slurry of mud and ash rose as high as fifteen feet in some places. A man who lived just down the street from us was killed, and his teen-age son was swept three-quarters of a mile down Olive Mill Road and across the freeway to the beach. And, at the same time, mudslides were inundating the other watersheds, including San Ysidro Creek, which tore through the Upper Village.

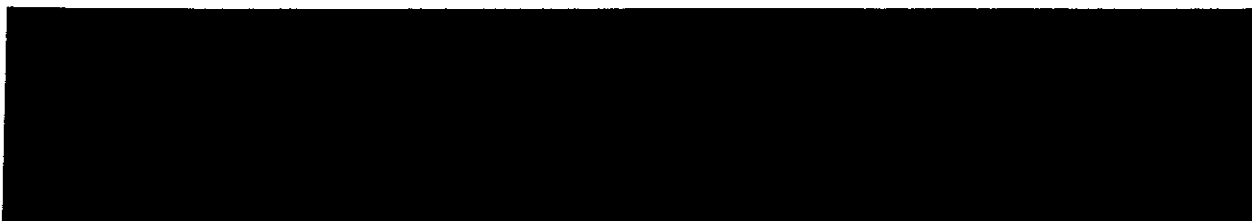
All of this I learned secondhand, through local and national news sources. The affected areas, including both Villages, were cordoned off and remain no-entry zones as of this writing. It wasn't until the sixth day after the storm that I had an opportunity to tour the devastated areas in the company of a journalist friend and see the effects for myself. At the bottom of my street, where it

intersects with Olive Mill, there was a remnant riverbed in the place where once had stood houses I'd seen every day for twenty-five years. Mudflats stretched off into the distance. It took me a while to orient myself, all the familiar landmarks erased in a way that was not only disorienting but profoundly disturbing. I dwell in the familiar. The familiar allows me to sit at my desk day after day and reimagine the world. My house was intact, untouched, and yet here was something else altogether, a thoroughgoing denial of the familiar.

In her essay "The Wreck of Time," Annie Dillard speaks of compassion fatigue in a world in which catastrophe and annihilation come as regularly as the progression of the days. Her point of reference was the 1991 cyclone in Bangladesh, which killed a hundred and thirty-eight thousand people and displaced millions. How can we begin to comprehend the magnitude of that, or of the cascade of disasters before or since, let alone sympathize? These are just figures, digits, symbols on a page. We each inhabit a consciousness, and that consciousness gives us the world and the universe and what we can grasp through the apprehension of our five senses. But the universe has no consciousness. It just is. Twenty of my neighbors are dead. Three are missing. That probably doesn't mean much to the rest of the world, or, for that matter, to you who are reading this. For me, though, it's personal, and I want my village back.

T. Coraghessan Boyle is a novelist who lives in Montecito, California. His most recent story for the magazine is "Are We Not Men?" [Read more »](#)

Video



Brenda Navellier

From: David Gibson
Sent: Wednesday, January 24, 2018 4:47 PM
To: Lance Maples
Cc: Brenda Navellier
Subject: Information Request Regarding Emergency Operations Plan and Response Procedures
Attachments: Kensington Annex.PDF

Mr. Toombs,

Thank you for your E-mail regarding the Emergency Operations Plan and our standardized procedures during a local disaster such as what occurred in the Santa Barbara area this past December. Your E-mail regarding questions about the Emergency Operations Plan has been forwarded to me to assist in answering any questions you have and provide you any information that you may need regarding this topic. Our personnel can very much relate to the words written by the author of the article you provided as we have witnessed so much devastation this past year from North to South as we have responded under the California Mutual Aid Agreement to assist those in need.

In regards to mutual aid procedures in our area we would also utilize the California Mutual Aid Agreement for assistance from all neighboring fire agencies within the State of California. Moreover, we have automatic and mutual aid agreements with Berkeley Fire, Albany Fire, Moraga-Orinda FPD, Richmond Fire, Contra Costa County FPD, Rodeo-Hercules FPD and Pinole Fire in our immediate area. All of these agencies routinely work and train together and share operational policies and procedures in addition to standardized training such as the Incident Command System.

The City of El Cerrito Emergency Operations Plan was initially adopted in December 2001. As required, the Emergency Operations Plan is reviewed and revised every five years or sooner as needed. As I have explained in our CERT Program for many years the Emergency Operations Plan is a guiding document for officials in the event of a declared local disaster. The Emergency Operations Plan is broken into the following five parts:

- Part One: Basic Plan
- Part Two: Checklists
- Part Three: Recovery
- Part Four: Appendix
- Part Five: Maps, Charts and Other Information

Part One of the Emergency Operations Plan is broken into the following areas:

- Introductions
- Goals and Objectives
- Authorities and References
- Continuity of Government
- Standby Officers
- Preservation of Vital Records
- Hazard Analysis
- Likelihood of Hazard Occurrence Matrix
- Standardized Emergency Management System (SEMS)
- Levels
- Training and Exercises
- Emergency Plan Maintenance and Distribution
- Activation of the Plan
- Concepts of Operations

- Departmental Standard Operating Procedures (SOPs)
- EOC and Alternate EOCs
- Activation of the EOC
- Emergency Proclamations
- City Emergency Management Organization
- Mutual Aid

Contained in Part Four: Appendix is the Kensington Annex is a four page document which was adopted by The Kensington Fire Protection District Board of Directors (see attached) that is broken into the following areas:

- Emergency Operations Centers
- Threats
- Command Post
- Communications
- Shelters

I have recently moved back into the assignment of Fire Marshal/Emergency Preparedness Coordinator from my assignment of Training/EMS/CERT Director. I hope this helps to answer your questions regarding the Emergency Operations Plan. If not, I'm more than happy to assist you in getting the information you are looking for. Again, thank you for your inquiry regarding the Emergency Operations Plan and our El Cerrito-Kensington response procedures.

*Battalion Chief Dave Gibson
Fire Marshal/Emergency Preparedness Coordinator
El Cerrito Fire Department
10900 San Pablo Avenue
El Cerrito, CA 94530
Office: (510) 215-4450
Mobile: (510) 812-8103
Fax: (510) 232-4917
E-Mail: dqibson@ci.el-cerrito.ca.us*

NEW BUSINESS

**KENSINGTON FIRE
PROTECTION DISTRICT**

**ANNUAL FINANCIAL REPORT
WITH
INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2017**

Mann, Urrutia, Nelson, CPAs and Associates, LLP
2515 Venture Oaks Way, Suite 135
Sacramento, CA 95833

**KENSINGTON FIRE PROTECTION DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2017**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Kensington Fire Protection District
Kensington, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Kensington Fire Protection District (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Kensington Fire Protection District, as of June 30, 2017, and the respective changes in financial position, thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the other post-employment benefits' schedule of funding progress, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries with management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2018, on our consideration of the Kensington Fire Protection District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Kensington Fire Protection District's internal control over financial reporting and compliance.

Sacramento, California
January 17, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

**KENSINGTON FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

The following discussion and analysis of the section of the Kensington Fire Protection District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ending June 30, 2017. This information is presented in conjunction with the audited financial statements.

FINANCIAL HIGHLIGHTS

- At the close of the fiscal year, June 30, 2017, assets of the District exceeded its liabilities by \$9,370,860 (net position). Of this amount, \$6,071,531 (unrestricted net position) may be used to meet the District's ongoing obligations to the citizens that the District serves.
- The District's total net position increased by \$886,858.
- At the close of the fiscal year, June 30, 2017, the District's general fund reported an ending fund balance of \$3,541,150, a decrease of \$1,307,783 when compared with prior year.
- At the close of the fiscal year, June 30, 2017, the District's special revenue fund reported an ending fund balance of \$100,869, an increase of \$88,100 when compared with the prior year.
- At the close of the fiscal year, June 30, 2017, the District's capital project fund reported an ending fund balance of \$2,429,511, an increase of \$1,210,223 when compared with the prior year.
- At the end of the fiscal year, June 30, 2017, unassigned fund balance for the governmental funds was \$979,535.

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

The financial section of this report consists of four parts: Government-wide financial statements, fund financial statements, the notes to the financial statements, and required supplementary information.

The government-wide financial statements are the statement of net position and the statement of activities, which are prepared using the economic resource measurement focus and the accrual basis of accounting. These statements provide both long-term and short-term information about the District's overall financial status. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of whether cash is received or paid. The two government-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets and liabilities, is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position is an indicator of whether its financial health is improving or deteriorating, respectively. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The fund financial statements are the balance sheet and statement of revenues, expenditures and changes in fund balance, and are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Fund financial statements keep track of specific sources of funding and spending for particular purposes. The District has three funds: general fund, special revenue fund, and capital project fund, which are all components of the governmental funds. The fund financial statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Changes in fund balance are reported if they will have an effect on the near-term cash flow of the District.

The notes provide additional information that is essential to the reader for a full understanding of the data provided in the government-wide and fund financial statements.

The required supplementary information presents the District's progress in funding its obligations to provide other post employee benefits as well as the District's budgetary comparison schedules.

**KENSINGTON FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

CHANGES IN NET POSITION

The Statement of Net Position is a snapshot that shows assets, liabilities, and net position at a specific point in time. The Statements of Activities provides information on the nature and source of these assets and liabilities represented on the Statement of Net Position. This statement shows that revenues exceeded expenses by \$886,858 for fiscal year 2017.

The following table summarizes the Statement of Activities for the fiscal years ending June 30, 2017 and June 30, 2016:

STATEMENT OF ACTIVITIES

	<u>2017</u>	<u>2016</u>
REVENUES		
General Revenues		
Property taxes	\$ 3,715,003	\$ 3,466,307
Other revenues	<u>357,491</u>	<u>338,876</u>
Total Revenue	<u>4,072,494</u>	<u>3,805,183</u>
EXPENSES		
Public safety-fire protection operation	<u>3,185,636</u>	<u>2,961,014</u>
Total Expenses	<u>3,185,636</u>	<u>2,961,014</u>
Change in net position	<u>886,858</u>	<u>844,169</u>
Net position - beginning	8,484,002	7,639,833
Net position - ending	<u>\$ 9,370,860</u>	<u>\$ 8,484,002</u>

Ending net position totaled \$9,370,860 at June 30, 2017, or an increase in net position of \$886,858 or 11% from June 30, 2016. Total revenues increased by \$267,311 or 7% during the fiscal year 2017 compared to 2016, totaling \$4,072,494. Property tax revenue increased in fiscal year 2017 compared to 2016 by \$248,696 or 7%. Total expenditures increased by \$224,622 or 7% to \$3,185,636 in 2017, primarily due to 7.7% increase in El Cerrito service contract.

**KENSINGTON FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

CAPITAL ASSETS

The District's investment in capital assets, net of accumulated depreciation, as of June 30, 2017 and 2016 was \$2,239,854 and \$2,403,011 respectively. The decrease in capital assets is primarily due to current year depreciation.

CAPITAL ASSETS

	2017	2016
Land	\$ 5,800	\$ 5,800
Building and improvements	2,391,580	2,391,580
Equipment and furniture	853,902	847,906
Rolling stock	570,195	872,094
Subtotal	3,821,477	4,117,380
Less accumulated depreciation	(1,581,623)	(1,714,369)
Total net capital assets	\$ 2,239,854	\$ 2,403,011

Additional information about the District's capital assets can be found in Note 3 in the Notes to the Basic Financial Statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

Total Revenues exceeded the budget by \$198,000. Property tax revenues were nearly \$145,000 of that. In addition, the new investment strategy returns were better than anticipated. General fund alone exceeded budgeted interest income by \$23,000. Finally, the sale of the Type I Engine brought in proceeds of \$30,000.

Total Expenses were under budget by \$138,000. The largest difference is due to the reporting of the retiree health insurance. During the budget process, the line item above was set to equal the OPEB cost in the actuarial report. For FY 16/17 that figure was \$44,395. During the audit, because KFPD is fully funded, all cash payments for retirees' health are netted against withdrawals from the CERBT and expensed directly. For FY 16/17 that calculation was as follows:

\$	99,035	Payments made directly to insurance providers
	(105,784)	Cash withdrawals from CERBT
\$	(6,749)	Net Difference

This created a \$51,000 under budget item in Expenses.

Building utilities/ services include the Needs Assessment/ Feasibility Study & Programming. This line item was budgeted for \$150,000, but ended up over budget by \$45,000.

General fund: The general fund's revenue is derived from County of Contra Costa property taxes, which are used to run daily operations of the District.

Special revenue fund: The special revenue fund receives the special assessment tax voted in by the Kensington taxpayers in 1980 to be used for fire protection and prevention operations as determined by the District. The revenue received remains consistent with prior years.

**KENSINGTON FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

Capital project fund: The capital project fund receives no tax revenue of its own, and is funded by the general fund on an as-needed basis. The District's Board of Directors votes annually on an amount to transfer and invest from the general fund to the capital project fund for long-term expected replacements.

The final budget was adopted by the Board of Directors at the September 2016 meeting. A revised version was adopted by the Board of Directors at the February 2017 meeting.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The primary factor affecting expenditures in the District's fiscal year 2017-18 budget is the City of El Cerrito service contract fee.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the finances for the Kensington Fire Protection District. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Kensington Fire Protection District, 217 Arlington Avenue, Kensington, CA 94707.

FINANCIAL STATEMENTS

KENSINGTON FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2017

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and investments (Note 2)	\$ 6,033,702
Accounts receivable	64,248
Interest receivable	10,167
Prepaid expenses	8,746
Net OPEB asset (Note 6)	1,059,475
Capital assets (Note 3)	
Nondepreciable capital assets	5,800
Depreciable capital assets, net	<u>2,234,054</u>
Total Assets	<u>9,416,192</u>
<u>LIABILITIES</u>	
Accounts payable and other accruals	<u>45,332</u>
Total Liabilities	<u>45,332</u>
<u>NET POSITION</u>	
Net investment in capital assets	2,239,854
Restricted	1,059,475
Unrestricted	<u>6,071,531</u>
Total Net Position	<u>9,370,860</u>
Total Liabilities and Net Position	<u>\$ 9,416,192</u>

See accompanying notes to the basic financial statements.

**KENSINGTON FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
Governmental Activities	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities
General Government	\$ 3,185,636	\$ -	\$ -	\$ (3,185,636)
Total Governmental Activities	\$ 3,185,636	\$ -	\$ -	\$ (3,185,636)
General Revenues:				
				\$ 3,941,762
				1
				46,279
				84,452
				4,072,494
				886,858
				8,484,002
				\$ 9,370,860

See accompanying notes to the basic financial statements.

KENSINGTON FIRE PROTECTION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Project Fund</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash and investments	\$ 3,507,465	\$ 100,869	\$ 2,425,368	\$ 6,033,702
Advance on Supplemental taxes	44,927	-	-	44,927
Accounts receivable	1,337	-	-	1,337
Interest receivable	6,010	-	4,157	10,167
Prepaid expenses	8,746	-	-	8,746
Reimbursements and other	17,983	-	-	17,983
	<u>3,586,468</u>	<u>100,869</u>	<u>2,429,525</u>	<u>6,116,862</u>
Total Assets				
<u>LIABILITIES</u>				
Accounts payable and other accruals	40,004	-	14	40,018
Wages payable	5,314	-	-	5,314
	<u>45,318</u>	<u>-</u>	<u>14</u>	<u>45,332</u>
Total Liabilities				
<u>FUND BALANCE</u>				
Non-spendable	8,746	-	-	8,746
Committed	-	-	2,418,425	2,418,425
Assigned	2,552,869	100,869	11,086	2,664,824
Unassigned	979,535	-	-	979,535
	<u>3,541,150</u>	<u>100,869</u>	<u>2,429,511</u>	<u>6,071,530</u>
Total Fund Balance				
Total Liabilities and Fund Balances	<u>\$ 3,586,468</u>	<u>\$ 100,869</u>	<u>\$ 2,429,525</u>	<u>\$ 6,116,862</u>

See accompanying notes to the basic financial statements.

KENSINGTON FIRE PROTECTION DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Total fund balances of governmental funds	\$ 6,071,530
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds, net of accumulated depreciation of \$1,581,623	2,239,854
Other long-term assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Net other post employment benefit (OPEB) asset	<u>1,059,476</u>
Net position of governmental activities	<u>\$ 9,370,860</u>

See accompanying notes to the basic financial statements.

KENSINGTON FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	General Fund	Special Revenue Fund	Capital Project Fund	Total Governmental Fund
<u>REVENUES</u>				
Property taxes	\$ 3,715,003	\$ -	\$ -	\$ 3,715,003
Special taxes	-	200,287	-	200,287
Other taxes	26,472	-	-	26,472
Other revenues	1,388	-	-	1,388
Lease income	1	-	-	1
Salary reimbursement income	53,064	-	-	53,064
Investment income	<u>37,105</u>	<u>-</u>	<u>9,174</u>	<u>46,279</u>
Total Revenues	<u>3,833,033</u>	<u>200,287</u>	<u>9,174</u>	<u>4,042,494</u>
<u>EXPENDITURES</u>				
Current expenditures/expenses:				
City of El Cerrito service contract	2,552,869	-	-	2,552,869
Retiree health insurance	(6,949)	-	-	(6,949)
Firefighter's apparel/ expenses	28,166	-	-	28,166
Insurance	12,943	-	-	12,943
Office wages and related expenses	109,479	-	-	109,479
Contra Costa county expenses	29,877	2,187	32	32,096
Wildland vegetation management	7,450	-	-	7,450
Fire abatement contract	265	-	-	265
LAFCO	2,124	-	-	2,124
Professional development	2,609	-	-	2,609
Outside professional service fees	46,434	-	-	46,434
Public education	6,511	-	-	6,511
Office equipment and supplies	3,776	-	-	3,776
Building utilities/ services	227,400	-	-	227,400
Memberships	7,176	-	-	7,176
Community service activities	35,844	-	-	35,844
Staff appreciation	1,136	-	-	1,136
Capital outlay	<u>7,788</u>	<u>-</u>	<u>-</u>	<u>7,788</u>
Total Expenditures	<u>3,074,898</u>	<u>2,187</u>	<u>32</u>	<u>3,077,117</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from sale of capital assets	30,000	-	-	30,000
Transfers in	483,919	-	1,575,000	2,058,919
Transfers out	<u>(1,575,000)</u>	<u>(110,000)</u>	<u>(373,919)</u>	<u>(2,058,919)</u>
Total other financing sources (uses)	<u>(1,061,081)</u>	<u>(110,000)</u>	<u>1,201,081</u>	<u>30,000</u>
Change in Fund Balance	<u>(302,946)</u>	<u>88,100</u>	<u>1,210,223</u>	<u>995,377</u>
Fund Balance - July 1, 2016	<u>4,848,933</u>	<u>12,769</u>	<u>1,219,288</u>	<u>6,080,990</u>
Prior period adjustment (Note 8)	<u>(1,004,837)</u>	<u>-</u>	<u>-</u>	<u>(1,004,837)</u>
Fund balance - July 1, 2016, restated	<u>3,844,096</u>	<u>12,769</u>	<u>1,219,288</u>	<u>5,076,153</u>
Fund Balance - June 30, 2017	<u>\$ 3,541,150</u>	<u>\$ 100,869</u>	<u>\$ 2,429,511</u>	<u>\$ 6,071,530</u>

See accompanying notes to the basic financial statements.

KENSINGTON FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Reconciliation of the change in fund balances - governmental funds to the change in net position of governmental activities:

Change in fund balances - governmental funds	\$ 995,377
The governmental funds report capital outlays as expenditures while governmental activities report depreciation as expense to allocate those expenditures over the life of the assets:	
Capital asset purchases capitalized	7,788
Depreciation expense	(170,945)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund:	
Change in other post employment benefits	<u>54,638</u>
Change in net position of governmental activities	<u>\$ 886,858</u>

See accompanying notes to the basic financial statements.

KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Reporting Entity

The Kensington Fire Protection District (District) is a special district empowered to take all the necessary steps to provide for fire protection and prevention services including enforcement of California State (State) laws applicable to fire codes. The financial statements of the District include all funds of the District. An elected Board of Directors governs the District, and exercises powers granted by State statutes.

In August 1995, the District entered into a contract with the City of El Cerrito (City) under which the City provides fire suppression and emergency medical services for the District. The contract provides that the District will pay the City an annual fee as defined in the contract (paid on a monthly basis) that expires June 30, 2020. The annual fee that the District paid under this contract for the fiscal years ended June 30, 2017 and 2016 totaled \$2,552,869 and \$2,369,530 respectively.

B. Basis of Presentation

The District's basic financial statements are prepared in conformity with accounting principals generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These standards require that the financial statements described below be presented.

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include the activities of the District's overall government. The District's net position is reported in three parts: net investment in capital assets; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities. Governmental activities generally are financed through taxes and other nonexchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational needs of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. A fund is established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions, or limitations. Governmental resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District's funds, all of which are considered to be major governmental funds, are reported as separate columns in the fund financial statements. The District uses the following funds:

KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Types

The *General Fund* is the operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

The *Special Revenue Fund* accounts for the special tax authorized by Section 53978 of the Government Code and approved by the District's electorate on April 8, 1980.

The *Capital Project Fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities and rolling stock.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and all liabilities (whether current or noncurrent) associated with the operation of these funds are reported.

All governmental funds are accounted for using a "current financial resources" measurement focus. With this measurement focus, only current assets and current liabilities generally are included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means knowing or being able to reasonably estimate the amount and "available" means that revenues are collectible within the current period or soon enough thereafter to pay current liabilities. For this purpose, the District considers special and other taxes to be available if they are collected within 90 days of year-end. The District considers property taxes to be available if they are collected within 60 days of year-end. Revenues not considered available are recorded as deferred revenues. Expenditures are recorded when the related fund liability is incurred, except for compensated absences, such as vacation and sick leave, which are recognized when due.

D. Cash and Investments

Cash and investments include amounts in demand deposits as well as short-term and long-term investments with the county investment pool. Substantially all of the District's cash and investments are held by the County of Contra Costa (County) as its fiscal agent. The District's investments are reported at fair value. The fair value represents the amount the District could reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller. The fair value of investments is obtained by using quotations obtained from independent published sources. The District also maintains a general checking account to facilitate the processing of small transactions.

KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As permitted by the California Government Code, contracts and agreements, the District is permitted to invest in the County's cash and investment pool, obligations of the U.S. Treasury or its agencies; certificates of deposits; mutual funds invested in U.S. Government securities; and other permitted investments.

E. Capital Assets

In the government-wide financial statements, capital assets are defined as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Capital assets, which include land, buildings, rolling stock (vehicles), and equipment/ furniture, are valued at historical cost, or an estimate of historical cost if actual cost is unavailable. Donated capital assets are valued at their estimated fair market value on the date received. Depreciation is computed for financial statement purposes using the straight-line method. The estimated useful lives for these depreciated assets are as follows:

Building and improvements	15 to 40 years
Rolling stock, equipment and furniture	5 to 15 years

F. Property Taxes

Revenue is recognized in the fiscal year for which the tax and assessment are levied. The County levies, bills and collects property taxes and special assessments for the District. Under the County's "Teeter Plan", the County remits the entire amount levied and handles all delinquencies while retaining related interest and penalties.

Taxes are levied for each fiscal year on taxable real and personal property situated in the County. The levy is based on the assessed values as of the preceding January 1st, which is also the lien date. Property taxes on the secured roll are due in two installments: November 1st and February 1st and become delinquent after December 10th and April 10th, respectively. Supplemental property taxes are levied based on changes in assessed values between the date of real property sales or construction completion and the preceding assessment date. The additional supplemental property taxes are prorated from the first day of the month following the date of such occurrence.

G. Equity Classifications

Government-Wide Statements

Net position is the excess of all the District's assets over all of its liabilities, regardless of fund. Net position is divided into three categories. These categories apply only to net position, which is determined at the government-wide level, and are described below:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, constructions, or improvements of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "net investment in capital assets," or "restricted."

KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- a. Nonspendable - Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The 'not in spendable form' criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.
- b. Restricted - Amounts that are restricted for specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, laws, or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- c. Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the district's highest level of decision-making authority. Commitments may be changed or lifted only by the District taking the same formal action that imposed the constraint originally (for example: resolution and ordinance).
- d. Assigned - Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted or committed. *Intent* is expressed by (a) the District's Board or (b) a body (for example: a budget or finance committee) or (c) official to which the District's Board has delegated the authority to assign amounts to be used for specific purpose.
- e. Unassigned - Amounts representing the residual classification for the general fund, and includes all amounts not contained in the other classifications.

Further detail about the District's fund balance classification is described in Note 4.

H. Budgets and Budgetary Accounting

The District follows the procedures below in establishing the budgetary data reflected in the basic financial statements:

- a. At the June Board of Directors (Board) meeting, the Finance Committee submits to the Board proposed operating and capital improvement draft budgets for the fiscal year commencing the following July 1. The operating and capital improvement budgets include proposed expenditures and the means of financing them.
- b. The Draft budget is legally enacted through the adoption of a resolution by the Board.
- c. A final operating and capital improvement budget is submitted to the Board at the September Board meeting. The budget is legally enacted through the adoption of a resolution by the Board.
- d. Formal budgetary integration is employed as a management control device during the fiscal year for the General Fund. The Capital Project Fund is budgeted over the life of the project.
- e. Budgets for the General Fund, Special Revenue Fund and the Capital Project Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
- f. The Special Revenue Fund is only used to accumulate special tax revenues, which are then transferred to the other funds as needed.

KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund and Capital Project Fund. There are no appropriations or encumbrances in the Special Revenue Fund. All appropriations lapse at fiscal year-end.

J. Interfund Transactions

All interfund transactions are treated as transfers. The general fund is the main operating fund for the District. Annually, tax revenues recorded in the special revenue fund are transferred to the general fund to fund the district's operations. Transfers between governmental funds are eliminated as part of the adjustments to the government-wide presentation.

K. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

L. Future Government Accounting Standards Board Statements

These statements are not effective until July 1, 2017 or later and may be applicable to the District. However, the District has not determined the effects, if any, on the financial statements.

Government Accounting Standards Board Statement No. 75

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB, and replaces Statements No. 45 and 57. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to OPEB. The District has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the District's fiscal year ending June 30, 2018.

Government Accounting Standards Board Statement No. 85

In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. The objective of this statement is to address practice issues that have been identified during implementation and application of certain GASB statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). Application of this statement is effective for the Agency's fiscal year ending June 30, 2018. The District has not determined what impact, if any, this pronouncement will have on the financial statements.

Government Accounting Standards Board Statement No. 87

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Application of this statement is effective for the District's fiscal year ending June 30, 2021. The District has not determined what impact, if any, this pronouncement will have on the financial statements.

KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2: CASH AND INVESTMENTS

Cash and investments at June 30, 2017 consisted of the following:

Deposits	\$	11,398
Cash held by the county		780,968
Local agency investment fund		2,741,136
Certificates of deposit		500,000
Fixed income securities		2,000,000
Petty cash		200
Total Cash and Investments	\$	6,033,702

Deposits

At year-end, the carrying amount of the District's demand deposits was \$11,398 with a commercial bank which is covered by federal depository insurance.

Cash held by the County

The District's cash is included in the Contra Costa County (County) Treasurer cash and investments pool. Investments made by the Treasurers are regulated by California Government Code and by a County investment policy approved annually by the County Treasury Oversight Committee. Adherence to the statutes and policies is monitored by the County Board of Supervisors and by the Treasury Oversight Committee via monthly reports and an annual audit. Investment income earned on the District's cash is allocated quarterly to the District. Changes in fair value are included in investment income. Redeemed or sold shares are priced at book value, which includes realized investment earnings such as interest income, realized gains or losses upon sale of investments, and amortized premiums and discounts. This number may differ from the shares' fair value, which would include unrealized gains or losses based on market conditions. Additional information regarding insurance, collateralization, and custodial risk categorization of the County's cash and investments is presented in the notes of the County's basic financial statements.

Separately Held Investments

The County also has investments in the State Treasurer's Local Agency Investment Fund (LAIF) separately held for the District. As of June 30, 2017, the District's investment in LAIF is \$2,741,136 which is approximately 1.36% of total Contra Costa County LAIF. The total amount invested by all public agencies under the County Pool in LAIF at June 30, 2017 is \$201,322,088. Of that amount, approximately 11.92% is invested in structured notes and asset-backed securities. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designed by State Statute. The value of the pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis, which is different from the fair value of the District's position in the pool.

KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2: CASH AND INVESTMENTS (Continued)

Authorized Investments of the District

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive) that addresses interest rate risk, credit risk and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligation	5 years	None	None
Banker's Acceptances	180 days	10%	5%
Commercial Paper	270 days	25%	5%
Certificates of Deposit	5 years	30%	None
Bank Deposits	5 years	None	None
Medium Term Corporate Notes	5 years	30%	None
Money Market Mutual Funds	N/A	20%	10%
CD Placement Services	5 years	30%	None
Local Agency Investment Fund (LAIF)	N/A	None	None
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Funds (CalTRUST)	N/A	None	None
U.S. Agency Obligations	5 years	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk in the market rate changes that could adversely affect the fair values of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for District operations.

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustee) to market rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity as of June 30, 2017:

	<u>Remaining Maturity</u>		
	<u>12 months or less</u>	<u>1-5 years</u>	<u>Fair Value</u>
Fixed Income Securities	\$ -	\$ 2,000,000	\$ 2,000,000
Certificates of Deposit	-	500,000	500,000
Local Agency Investment Fund	<u>2,741,136</u>	<u>-</u>	<u>2,741,136</u>
	<u>\$ 2,741,136</u>	<u>\$ 2,500,000</u>	<u>\$ 5,241,136</u>

KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2: CASH AND INVESTMENTS (Continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the investment policy, or debt agreements, and the actual rating as of the fiscal year for each investment type.

	Total	Rating as of Fiscal Year End		
		S&P	Moody's	N/A
Fixed Income Securities	\$ 2,000,000	AAAm		
Certificates of Deposit	500,000			Not rated
Local Agency Investment Fund	<u>2,741,136</u>			Not rated
	<u>\$ 5,241,136</u>			

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2017 there were no investments in any one issuer (other than U.S. Treasury securities, mutual funds and external investment pools) that represent 5% or more of the total District investments.

Investment Valuation

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District does not have any investments that are measured using Level 3 inputs.

The following tables set forth by level, within the fair value hierarchy, the District's assets at fair value as of June 30, 2017.

	Level 1	Level 2	Level 3	Total
Fixed Income Securities	\$ -	\$ 2,000,000	\$ -	\$ 2,000,000
Certificates of Deposit	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Total assets at fair value	<u>\$ 500,000</u>	<u>\$ 2,000,000</u>	<u>\$ -</u>	<u>\$ 2,500,000</u>

KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3: CAPITAL ASSETS

The District's capital asset activity during the year was as follows:

Governmental activities:

	<u>July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2017</u>
Capital assets not being depreciated				
Land	\$ 5,800	\$ -	\$ -	\$ 5,800
Total capital assets not being depreciated	<u>5,800</u>	<u>-</u>	<u>-</u>	<u>5,800</u>
Capital assets being depreciated				
Building and improvements	2,391,580	-	-	2,391,580
Equipment and furniture	847,906	7,788	(1,792)	853,902
Rolling stock equipment	<u>872,094</u>	<u>-</u>	<u>(301,899)</u>	<u>570,195</u>
Total capital assets being depreciated	<u>4,111,580</u>	<u>7,788</u>	<u>(303,691)</u>	<u>3,815,677</u>
Less accumulated depreciation for				
Building and improvements	(858,754)	(70,713)	-	(929,467)
Equipment and furniture	(299,711)	(35,993)	1,792	(333,912)
Rolling stock equipment	<u>(555,904)</u>	<u>(64,239)</u>	<u>301,899</u>	<u>(318,244)</u>
Total accumulated depreciation	<u>(1,714,369)</u>	<u>(170,945)</u>	<u>303,691</u>	<u>(1,581,623)</u>
Total capital asset being depreciated, net	<u>2,397,211</u>	<u>(163,157)</u>	<u>-</u>	<u>2,234,054</u>
Total capital assets, net	<u>2,403,011</u>	<u>(163,157)</u>	<u>-</u>	<u>2,239,854</u>

Depreciation expense totaled \$170,945 for the year ended June 30, 2017.

KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4: FUND BALANCE

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

The Board of Directors, as the District's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal action. Committing fund balance is accomplished by approval of an action item by the Board of Directors. These committed amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use through the same type of formal action taken to establish the commitment.

Assigned fund balance are amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted or committed.

The accounting policies of the District consider restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the District considers committed amounts to be reduced first, followed by assigned amounts, and unassigned amounts.

As of June 30, 2017, fund balances were comprised of the following:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Project Fund</u>	<u>Total Governmental Funds</u>
Nonspendable				
Prepaid	\$ 8,746	\$ -	\$ -	\$ 8,746
Subtotal	<u>8,746</u>	<u>-</u>	<u>-</u>	<u>8,746</u>
Committed				
Public protection	-	-	583,993	583,993
Capital projects	-	-	1,834,432	1,834,432
Subtotal	<u>-</u>	<u>-</u>	<u>2,418,425</u>	<u>2,418,425</u>
Assigned				
Public protection	2,552,869	100,869	-	2,653,738
Capital projects	-	-	11,086	11,086
Subtotal	<u>2,552,869</u>	<u>100,869</u>	<u>11,086</u>	<u>2,664,824</u>
Unassigned	<u>979,535</u>	<u>-</u>	<u>-</u>	<u>979,535</u>
Total Fund Balance	<u>\$ 3,541,150</u>	<u>\$ 100,869</u>	<u>\$ 2,429,511</u>	<u>\$ 6,071,530</u>

The Board's financial planning aims to help reduce the negative impact on the District in times of economic uncertainty and potential losses of funding from federal or state governmental agencies. District funds are restricted, committed and assigned as part of a multi-year financial plan to balance the budget and avoid operating deficits.

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 5: INTERFUND TRANSFERS TO/FROM OTHER FUNDS

Transfers between funds during the fiscal year ended June 30, 2017 were as follows:

<u>Transfer from</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund	Capital Project Fund	\$ 1,575,000
Special Revenue Fund	General Fund	110,000
Capital Project Fund	General Fund	<u>373,919</u>
	Total Interfund Transfers	\$ <u>2,058,919</u>

NOTE 6: OTHER POST EMPLOYMENT BENEFITS (OPEB)

Description of the Plan

The District provides post-retirement health benefits (medical, dental and vision) to a closed group of former employees who have retired from the District and to their surviving spouses and dependent children. The District pays 100% of the annuitants' health plan premiums. Currently, a total of 10 family units (15 individuals) are receiving post-retirement health benefits.

The District participates in the California Employer's Retiree Benefit Trust (CERBT). CERBT is an irrevocable trust fund that allows public employers to prefund the future cost of their retiree health insurance benefits and other post employment benefits (OPEB) for their covered retirees. The District elected to participate in CERBT and contributed a total of \$1,165,000 in October 2008 to CalPERS, the CERBT's administrator. The prefunding was intended to reduce and stabilize the District's annual required contribution to its OPEB plan in future years at an expected level for budgeting purposes. CalPERS issued a publicly available financial report that includes financial statements and required supplementary information for CERBT in aggregate. The report may be obtained by writing to CalPERS, Lincoln Plaza North, 400 Q Street, Sacramento, CA 95811.

Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the Board. For the year ended June 30, 2017, the District contributed \$99,035, or 100% of the OPEB cost, to the CERBT.

KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 6: OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Annual OPEB Cost and Net OPEB Obligation (Asset)

The District's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) (or funding costs) over a period not to exceed twenty years.

For the year ended June 30, 2017, the District's annual required contribution for the healthcare plan was \$2,940. The District's annual OPEB cost contributed to the plan and the net OPEB obligation (asset) for the year ended June 30, 2017 were as follows:

Annual required contribution (ARC)		
Normal cost	\$	-
30-year amortization of funded liability		<u>2,940</u>
Total annual required contribution		<u>2,940</u>
Interest on net OPEB obligation (asset)		(72,029)
Adjustment to annual required contribution		<u>113,486</u>
Total annual OPEB cost		<u>44,397</u>
Employer contributions paid for retirees		<u>(99,035)</u>
Net increase in net OPEB obligation (asset)		<u>(54,638)</u>
Net OPEB obligation (asset), June 30, 2016		<u>(1,004,837)</u>
Net OPEB obligation (asset), June 30, 2017	\$	<u>(1,059,475)</u>

The following table represents annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation (asset).

<u>Year-Ended</u>	<u>Annual OPEB cost</u>	<u>Actual Employer Contribution</u>	<u>Percentage Contributed</u>	<u>Net Ending OPEB Obligation (Asset)</u>
6/30/16	\$ 24,859	\$ 104,813	100 %	\$ (1,004,837)
6/30/17	\$ 44,397	\$ 99,035	100 %	\$ (1,059,475)

KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 6: OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Funded Status and Funding Progress

The funded status of the plan based on an actuarial study performed as of June 30, 2015, is as follows:

Actuarial accrued liability (AAL)		
Active employees	\$	-
Retired employees		<u>1,537,671</u>
Total		<u>1,537,671</u>
Market value of plan assets		<u>1,479,474</u>
Unfunded actuarial accrued liability (UAAL)	\$	<u>58,197</u>
Funded ratio (actuarial value of plan assets / AAL)		96 %
Covered payroll (active plan members)	\$	-

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated. Although the valuation results are based on the values which the District's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of what future costs may actually be. Deviations in any of several factors, such as future interest rates, medical cost inflation, Medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

The schedule of funding progress presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2015 actuarial valuation, the actuarial cost method used for determining the benefit obligations is the Entry Age Normal. The actuarial assumptions include a 6.73 percent discount rate, 3.25% wage inflation, and an annual healthcare cost medical trend rate of 8 percent (pre-65) and 5.5 percent (post-65). The unfunded actuarial accrued liability is being amortized as a level percent of payroll over a 30-year fixed period, with 13 years remaining as of the most recent actuarial report. The valuation is a closed group valuation, that is, no future hires are assumed.

KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 7: RISK MANAGEMENT

The Kensington Fire Protection District is a member of Contra Costa County Fire District's Joint Power of Authority Insurance Pool (CSAC). The District is exposed to various risks of loss related to torts, theft damages, destruction of assets, public officials' errors and omissions, injuries to employees, and natural disasters. The District carries commercial insurance for risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any recent fiscal year, and there has been no significant reduction in insurance coverage over the past three fiscal years.

The District's deductibles and maximum coverage are as follows:

<u>Coverage Description</u>	<u>Deductibles</u>	<u>Insurance Coverage</u>
General and Auto Liability	None	\$50,000,000
All Risk Property	\$500 (all other property)	\$600,000,000 (all other property)
	\$100,000 (flood)	\$600,000 (flood)
	\$500 (mobile equip)	None
	\$500,000 (terrorism)	\$200,000,000
Earthquake	5% per unit	\$280,000,000
	\$100,000 minimum	None
Employee Dishonesty	\$50,000	\$10,000,000
Pollution Liability	\$500,000	\$10,000,000
Boiler and Machinery	\$5,000	\$100,000,000

NOTE 8: PRIOR PERIOD ADJUSTMENT

At June 30, 2016, the net OPEB asset totaling \$1,004,837 was incorrectly reported as an asset in the general fund on the Governmental Funds Balance Sheet. The net OPEB asset should only be reported as an asset on the government-wide statement of net position. Therefore, fund balance in the general fund at July 1, 2016 was reduced by \$1,004,837 to reflect the removal of the asset from the fund.

REQUIRED SUPPLEMENTARY INFORMATION

KENSINGTON FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL FOR THE GENERAL FUND AND SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	General Fund			Special Revenue Fund		
	Final Budget	Actual	Variance with Final Budget Under (Over)	Final Budget	Actual	Variance with Final Budget Under (Over)
REVENUES						
Property taxes	\$ 3,570,295	\$ 3,715,003	\$ (144,708)	\$ -	\$ -	\$ -
Special taxes	-	-	-	200,287	200,287	-
Other taxes	26,000	26,472	(472)	-	-	-
Other revenues	-	1,388	(1,388)	-	-	-
Lease income	1	1	-	-	-	-
Salary reimbursement income	54,600	53,064	1,536	-	-	-
Investment income	14,000	37,105	(23,105)	-	-	-
Total Revenues	3,664,896	3,833,033	(168,137)	200,287	200,287	-
EXPENDITURES						
Current expenditures/expenses:						
City of El Cerrito service contract	2,552,869	2,552,869	-	-	-	-
Retiree health insurance	44,395	(6,949)	51,344	-	-	-
Firefighter's apparel/ expenses	37,000	28,166	8,834	-	-	-
Insurance	12,110	12,943	(833)	-	-	-
Office wages and related expenses	111,344	109,479	1,865	-	-	-
Contra Costa county expenses	32,130	29,877	2,253	2,200	2,187	13
Wildland vegetation management	10,000	7,450	2,550	-	-	-
Water system improvement	20,000	-	20,000	-	-	-
Fire abatement contract	8,000	265	7,735	-	-	-
LAFCO	1,850	2,124	(274)	-	-	-
Professional development	5,000	2,609	2,391	-	-	-
Outside professional service fees	48,000	46,434	1,566	-	-	-
Public education	13,000	6,511	6,489	-	-	-
Office equipment and supplies	6,000	3,776	2,224	-	-	-
Building utilities/ services	188,400	227,400	(39,000)	-	-	-
Memberships	7,675	7,176	499	-	-	-
Community service activities	66,450	35,844	30,606	-	-	-
Staff appreciation	4,000	1,136	2,864	-	-	-
Contingency	25,000	-	25,000	-	-	-
Capital outlay	20,000	7,788	12,212	-	-	-
Total Expenditures	3,213,223	3,074,898	138,325	2,200	2,187	13
Subtotal - Revenues Less Expenditures	451,673	758,135	(306,462)	198,087	198,100	(13)
OTHER FINANCING SOURCES (USES)						
Proceeds from the sale of capital assets	-	30,000	30,000	-	-	-
Transfers in	-	483,919	483,919	-	-	-
Transfers out	-	(1,575,000)	(1,575,000)	-	(110,000)	(110,000)
Total other financing sources (uses)	-	(1,061,081)	(1,061,081)	-	(110,000)	(110,000)
Change in Fund Balance	451,673	(302,946)	(754,619)	198,087	88,100	(109,987)
Fund Balance - July 1, 2016		4,848,933			12,769	
Prior period adjustment		(1,004,837)			-	
Fund balance - July 1, 2016, restated		3,844,096			12,769	
Fund Balance - June 30, 2017		\$ 3,541,150			\$ 100,869	

**KENSINGTON FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF FUNDING PROGRESS FOR OTHER POST EMPLOYMENT BENEFITS (OPEB)
AS OF JUNE 30, 2017

<u>Year End Date</u>	<u>Normal Accrued Liability</u>	<u>Market Value of Assets</u>	<u>Liability (Excess Assets)</u>	<u>Funded Status</u>	<u>Annual Covered Payroll (Active Members)</u>	<u>UAAL (Excess Assets) as a % of Covered Payroll</u>
2016	\$ 1,303,354	\$ 1,529,428	\$ (226,074)	117 %	\$ -	- %
2017	\$ 1,537,671	\$ 1,479,474	\$ 58,197	96 %	\$ -	- %

OTHER REPORTS



MANN • URRUTIA • NELSON CPAs & ASSOCIATES, LLP
GLENDALE • ROSEVILLE • SACRAMENTO • SOUTH LAKE TAHOE • KAUAI, HAWAII

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Kensington Fire Protection District
Kensington, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund, of the Kensington Fire Protection District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Kensington Fire Protection District's basic financial statements, and have issued our report thereon dated January 17, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Kensington Fire Protection District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Kensington Fire Protection District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Kensington Fire Protection District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

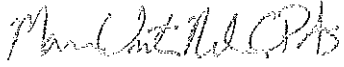
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Kensington Fire Protection District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Sacramento, California
January 17, 2018

January 31, 2018
Project No. 17-1381

Kensington Fire Protection
217 Arlington Avenue
Kensington, California 94707
c/o: Ms. Brenda Navellier

Subject: Preliminary Fault Investigation
Proposed Kensington Essential Services Building
217 Arlington Avenue
Kensington, California

Dear Ms. Navellier:

This letter presents the results of our preliminary fault investigation for the proposed new essential services building to be constructed at 217 Arlington Avenue in Kensington, California. Our preliminary fault investigation was performed in general accordance with our proposal dated July 31, 2017 and our discussions with you and the Kensington Fire Protection District.

The subject property is located on the northeastern side of Arlington Avenue, south of its intersection with Oberlin Avenue, as shown on the Vicinity Map, Figure 1. The site is approximately square-shaped with plan dimensions of about 100 by 100 feet. The site is situated on a hillside that has been cut and filled to construct Arlington Avenue and building pads on the northeastern and southwestern sides of Arlington Avenue. Currently, the site is occupied by an existing building at the western portion of the site and a parking lot at the eastern portion (rear) of the site, as shown on the Site Plan, Figure 2. The existing building is occupied by the Kensington fire and police departments. A driveway that provides access to the rear parking lot is located at the southern portion of the site. There is also a 12 feet high retaining wall along the eastern property line. Available as-built plans show the existing retaining wall was constructed with a T-shaped footing that extends a minimum of 4 feet downslope and 9 feet upslope of the retaining wall.

Current conceptual plans being considered are to demolish the existing building and construct a new two-story building for essential services (i.e. fire protection and public safety) that will occupy the entire site. The new building will be at-grade fronting Arlington Avenue and about 1-1/2 levels below grade along the eastern property line. Construction of the proposed new building will require increasing the height of the existing retaining wall to about 25 feet high along the eastern property line. Similar walls would be needed along the northern and southern property lines.

Kensington Fire Protection District
January 31, 2018
Page 2

1.0 ALQUIST-PRIOLO EARTHQUAKE FAULT ZONE

The Hayward Fault is a roughly 74-mile long, right-lateral strike slip fault zone that traverses the base of the hills along the east side of the San Francisco Bay. The Hayward Fault is generally characterized by a broad zone of deformation that often includes multiple subparallel fault splays. The Hayward Fault is considered an active fault by the State of California. Therefore, in accordance with the Seismic Hazards Mapping Act, the State of California has designated a zone of required investigation (formerly termed *Earthquake Fault Zones*, and previously *Special Studies Zones*) for the Hayward Fault. The site is located entirely within the State of California designated zone as shown on the Official Earthquake Fault Zones Map, Figure 3.

Projects located within the designated earthquake fault zone boundaries are subject to special studies to determine the site-specific potential for surface fault rupture. Projects that will create buildings for human occupancy with greater than 2,000 man-hours per year are required to be adequately setback from the active fault trace to minimize the potential adverse impacts of surface fault rupture beneath the foundation.

2.0 SCOPE OF SERVICES

The purpose of this project was to conduct a preliminary fault investigation to determine appropriate setbacks for the proposed new building from active fault traces. Our scope of services included the following tasks:

- reviewing readily available geologic maps and literature pertinent to the site
- reviewing previous geotechnical reports prepared for the site
- performing a site reconnaissance of the neighborhood to check for indications of fault-related features
- performing a seismic refraction survey
- evaluating the geologic information obtained
- preparing this letter report.

3.0 FIELD INVESTIGATION AND DATA REVIEW

3.1 Previous Site Studies

A geotechnical investigation for the original fire station building was performed by the consulting firm, Woodward-Clyde & Associates, in 1969. The investigation included excavation of three exploratory trenches and drilling five borings. The investigation concluded the site was feasible for the planned construction (the existing building) and provided geotechnical

Kensington Fire Protection District
January 31, 2018
Page 3

recommendations for site development. However, the investigation trenches (T-1 and T-3) did not reveal continuous in-place bedrock upslope of the existing building that will be within the footprint of the proposed new building. The approximate locations of the Woodward-Clyde trenches and borings are shown on Figure 2.

In 1990, Seidelman Associates, Inc. performed a geotechnical study to evaluate reported ground settlement at the site. The study included drilling two borings and installing slope inclinometers to monitor for subsurface landslide movement. The study did not address fault locations. The approximate locations of the Seidelman Associates borings are shown on Figure 2.

In 1997, Geomatrix Consultants, performed a geologic and geotechnical study assess earthquake-related hazards (i.e. surface fault rupture, landsliding, and slope instability) for the site. The Geomatrix study did not perform additional site exploration.

In 2009, Kleinfelder Inc. performed a geotechnical study to evaluate foundation settlement and to provide recommendations to improve conditions. The Kleinfelder study did not perform additional site exploration.

3.2 Geophysics Survey

To evaluate the possible presence of fault traces at the site, we initially proposed to excavate and log one exploratory trench to shadow the proposed building footprint. The exploratory trench would be located along the driveway and the rear parking lot. However, trenching could only be performed within the site boundaries and therefore was not sufficient to evaluate expansion of the building footprint back to the eastern property line. Therefore, prior to excavating trenches, we retained Advanced Geological Services (AGS) from Moraga, California to perform a geophysical survey of the site. The geophysical survey using the seismic refraction method was able to cover a much broader area than trenching alone. The seismic refraction method was used to look for discontinuities in the subsurface that could indicate the presence of a geologic fault.

The seismic refraction method uses compressional (P-) wave energy to delineate subsurface seismic velocity layers. To perform a refraction survey, an elastic wave (compressional, or P-wave) is generated at certain locations (shotpoints) along a survey line. The P-wave energy is usually produced with a small explosion or by striking the ground with a sledgehammer. As the P-wave propagates through the ground it is refracted along boundaries between geologic layers with different seismic velocities. Part of the refracted P-wave energy returns to the ground surface where it is detected by vibration-sensitive devices called geophones, which are placed in a co-linear array along the seismic survey line. The geophone data are fed to a seismograph, where they are recorded, and then to a computer, where they are analyzed to determine the depth and velocities of subsurface seismic layers. Interpretation entails correlating the velocity layers to geologic features such as soil and various types of bedrock.

Kensington Fire Protection District
January 31, 2018
Page 4

As part of this study, AGS performed three seismic refraction lines at the approximate locations shown on Figure 2. The seismic lines were extended off site to the east and west to gain additional coverage for the fault investigation. Detail descriptions and results of the geophysical survey are presented in Appendix A.

Based on the results of the geophysical survey and our review of available geologic information of the site and vicinity (see Section 3.3), we developed conclusions and recommendations regarding appropriate setbacks for the proposed new building from active fault traces as presented in Section 4.0.

3.3 Geologic Mapping

Regional Geology

The site is located in the Coast Ranges Geomorphic Province of California. The Coast Ranges are characterized by a series of northwest-trending, folded and faulted mountain chains and intervening valleys. Folding and faulting has caused deformation over the past few million years resulting in the pronounced northwest-trending structural grain of the region created by the right-lateral strike-slip relative motions between the Pacific and North American tectonic plates. The majority of active deformation in the San Francisco Bay Area is believed to have occurred over the past few million years.

Regional geologic maps (listed in the references) show the site to be underlain by northwest trending bands of sea floor sediments belonging to the Franciscan Complex geologic unit. The Franciscan Complex represents a series of sea-floor sediments and basement rocks that formed during the Jurassic and Cretaceous Periods of geologic time, roughly 65 to 150 million years before present. In this portion of the province, the Franciscan Complex is mapped as mélangé. The Franciscan Complex mélangé represents a mixture of sea-floor and basement rocks that have been altered, sheared and mixed together during subduction of the Farallon Plate beneath North America.

Regional maps indicate that the bands of mélangé are fault-bound blocks oriented in a northwest trend. The map shows faults on both sides of the site. A portion of the geologic map by Dibblee and Minch (2005) is provided on Figure 4.

Hayward Fault Mapping

The Hayward Fault has been extensively studied in the region and several maps have been created that show potential locations of fault splays along the Hayward Fault zone. All maps we reviewed suggest at least two splays of the Hayward Fault are in close proximity to the site. The Official Earthquake Fault Zones Map by the State of California (Figure 3) shows a main somewhat continuous fault splay downslope of the site to the west along Arlington Avenue and a

Kensington Fire Protection District
January 31, 2018
Page 5

suspected fault splay upslope of the site near Amherst Way. The geologic map by Dibblee and Minch (Figure 4) also shows three faults near the site, with two (including the main trace) downslope and another suspected splay upslope of the site. The U.S. Geological Survey maintains a data server called the Quaternary Fault and Fold Database (QFFD) that shows the approximate locations of faults in the region. The QFFD (Figure 5) shows two faults, with one fault crossing the center of the site and a fault just upslope of the site above Amherst Way. Note that the QFFD is registered to Google Earth images and are approximate. Additionally, the Tri City Seismic Safety Element report (Figure 6) also shows three faults, with one fault along Arlington Avenue, one fault to the west below Arlington Avenue, and one fault upslope of the site near Yale Avenue.

The currently accepted locations of active traces of the Hayward Fault are shown on maps by the U. S. Geological Survey (Lienkaemper, 2006). The Lienkaemper maps were based on field mapping fault-related deformation such as offset curbs, pavement cracks, linear drainages and other fault-related geomorphic features. The Lienkaemper map shows the main trace of the Hayward fault about 225 feet downslope of the site to the west and a smaller suspected fault splay crossing through the eastern portion of the site as shown on Figure 7.

4.0 CONCLUSIONS AND RECOMMENDATIONS

Based on the results of this study, we conclude that the main trace of the Hayward Fault is located west of the site and that there is a strong possibility of a fault splay near the eastern property boundary that requires geologic setbacks for the proposed new building intended for human occupancy. The location of the suspected fault and resulting setbacks are expected to significantly limit the potential of extending the footprint of the proposed building to the eastern property line. Previous exploration work at the site is not adequate to provide coverage to clear the proposed new building of active faulting because trenches T-1 and T-3 by Woodward-Clyde (1969) encountered landslide deposits and did not demonstrate continuous un-faulted bedrock.

The seismic refraction survey performed by AGS (Appendix A) covered a linear transect extending from Amherst Way upslope of the site to the west side of Arlington Avenue, west of the site. The results of the survey were interpreted by the geophysicist to reflect the three geologic materials described in Table 1.

**TABLE 1
 Geologic Layers Interpreted by Seismic Refraction Survey**

Material	P-Wave Velocity (fps)
Soil and or/Fill	0 to 2,700
Weathered Bedrock	2,700 to 5,700
Little-Weathered bedrock	Greater than 5,700

Within the site boundaries, the geophysics interpreted soil/fill and weathered bedrock extending down to the limit of the survey at about 35 feet below the ground surface. Upslope of the site, on the adjacent parcel, the geophysics encountered “little-weathered bedrock” underlying 15 feet of soil/fill and weathered bedrock. The “little-weathered bedrock” was not encountered within the site boundaries. The geophysical survey suggests that the bedrock changes at the eastern property boundary; which is called out as a “discontinuity” by the geophysicist between lines SL-1 and SL-3. A discontinuity in geologic terms means there is a lack of continuous geologic structure. The data also suggests there is a sudden change in bedrock type at the eastern property boundary since SL-1 was located on the adjacent property and SL-3 was located within the site boundaries do not overlap and the subsurface conditions do not match.

A sudden change in bedrock and an apparent discontinuity in the subsurface conditions suggest the possible presence of a fault at that location. The possible presence of a fault at the eastern property boundary would coincide with previous mapping of a suspected fault upslope of the site as shown on the five geologic maps previously referenced (Figures 3 through 7). Therefore, based on available geologic information and the results of the geophysics survey, we judge the discontinuity at the eastern property line to be a fault that matches the regionally mapped conditions.

Determining setbacks for buildings intended for human occupancy from active faults requires an evaluation of the fault line and the area of associated ground deformation anticipated from any given earthquake event. This includes a visual evaluation of the fault feature by trenching. Visual examination of the discontinuity would require removing the retaining wall and trenching through and into the upslope properties. Prior to removing the retaining wall, the slope would need to be shored and properly supported to protect the upslope properties. We understand this level of effort to facilitate trench excavation through the eastern property line is not feasible at this time.

Kensington Fire Protection District
January 31, 2018
Page 7

Since the suspected fault feature located beneath or behind the 12-foot high retaining wall cannot be effectively investigated with an open trench at this time, we recommend the discontinuity observed at the eastern property line be considered as an active fault or fault splay for planning purposes. This assumption is consistent with suggested fault and fault splays shown on regional geologic maps. Therefore, for planning purposes, we recommend a 50-foot setback from the suspected fault feature at the eastern property line; this setback distance can be modified (i.e. increased or decreased), as appropriate, based on geologic features exposed in a fault trench excavated through the eastern property line.

We trust this letter provides the information you need. If you have any questions, please call.

Sincerely yours,
ROCKRIDGE GEOTECHNICAL, INC.



Linda H. J. Liang, P.E., G.E.
Associate Engineer



Kevin James Ryan, P.G., C.E.G
Principal Engineering Geologist

Attachments:

References

Figures:

Figure 1 – Vicinity Map

Figure 2 – Site Plan

Figure 3 – Official Earthquake Fault Zones Map

Figure 4 - Regional Geologic Map

Figure 5 – Quaternary Fault Map

Figure 6 – Active Faults and Tsunami Risk Map

Figure 7 – Active Traces of the Hayward Fault

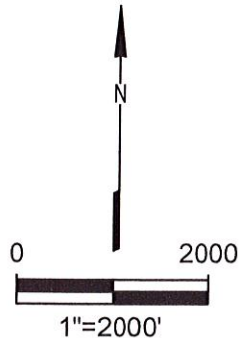
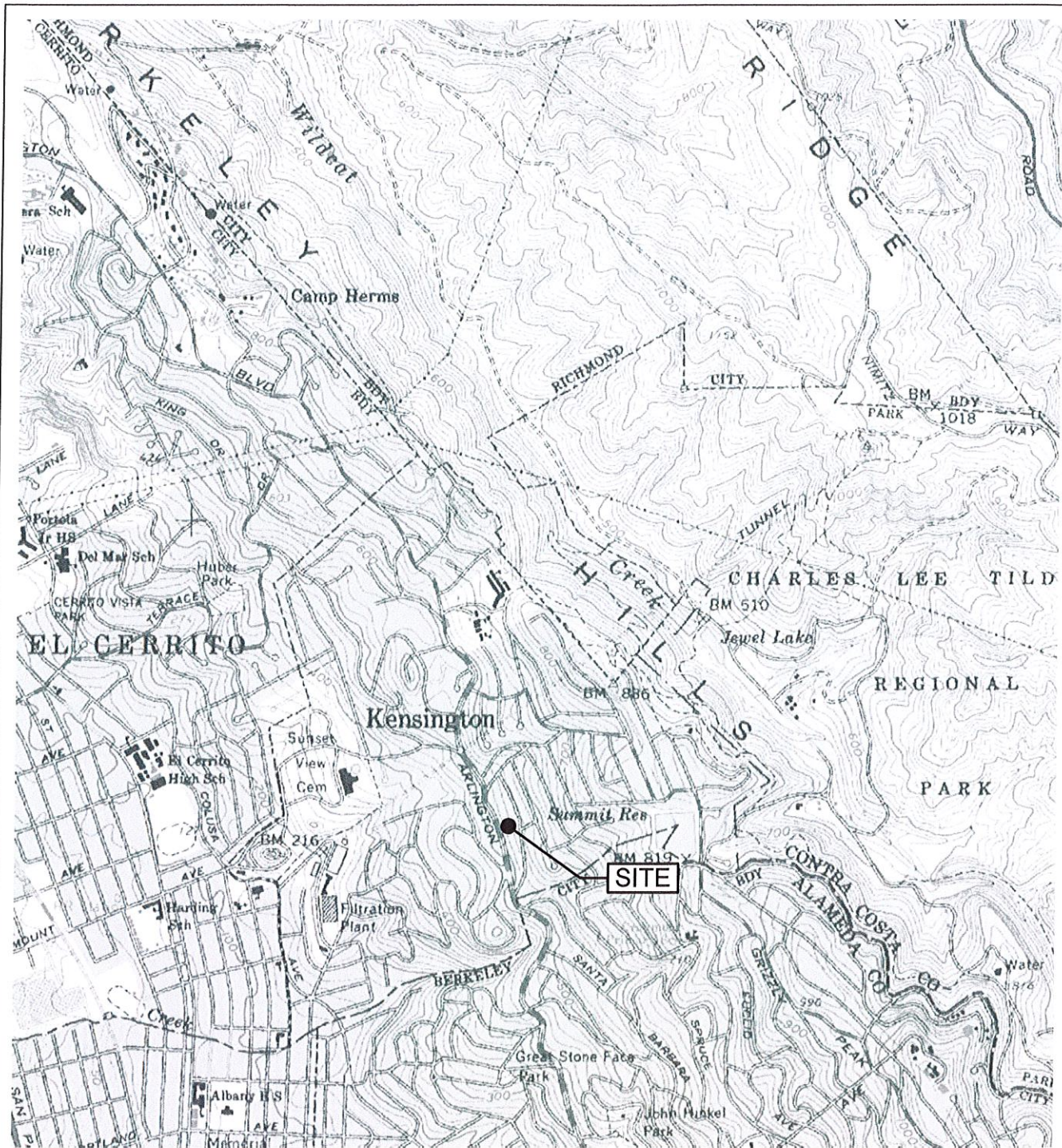
Appendix A – Geophysics Investigation Results

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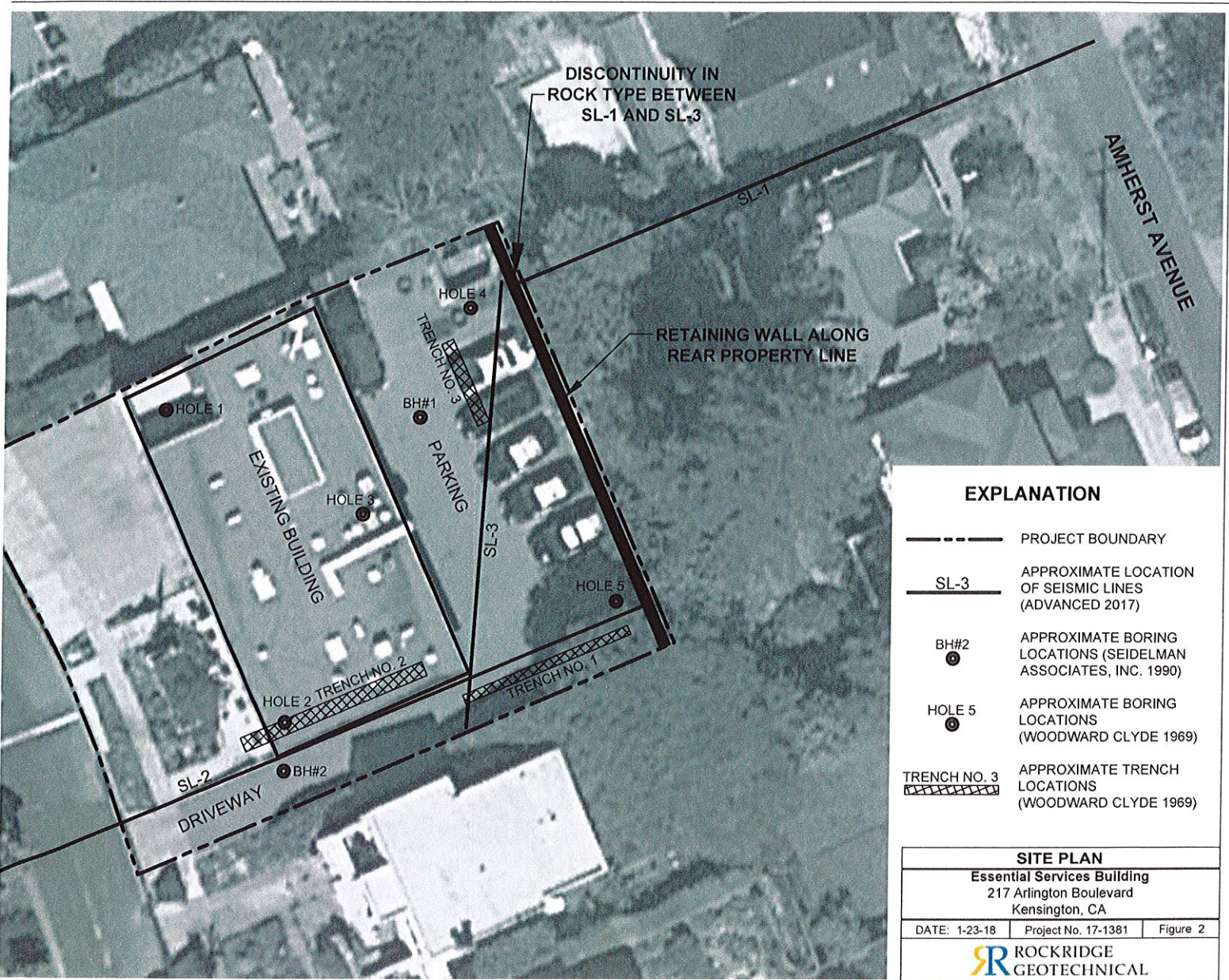
FIGURES



VICINITY MAP		
Essential Services Building 217 Arlington Boulevard Kensington, CA		
DATE: 1-23-18	Project No. 17-1381	Figure 1

BASE: PORTIONS OF U.S.G.S. 7.5 MINUTE TOPOGRAPHIC QUADRANGLE, RICHMOND, CALIFORNIA AT A SCALE OF 1:24,000.





EXPLANATION

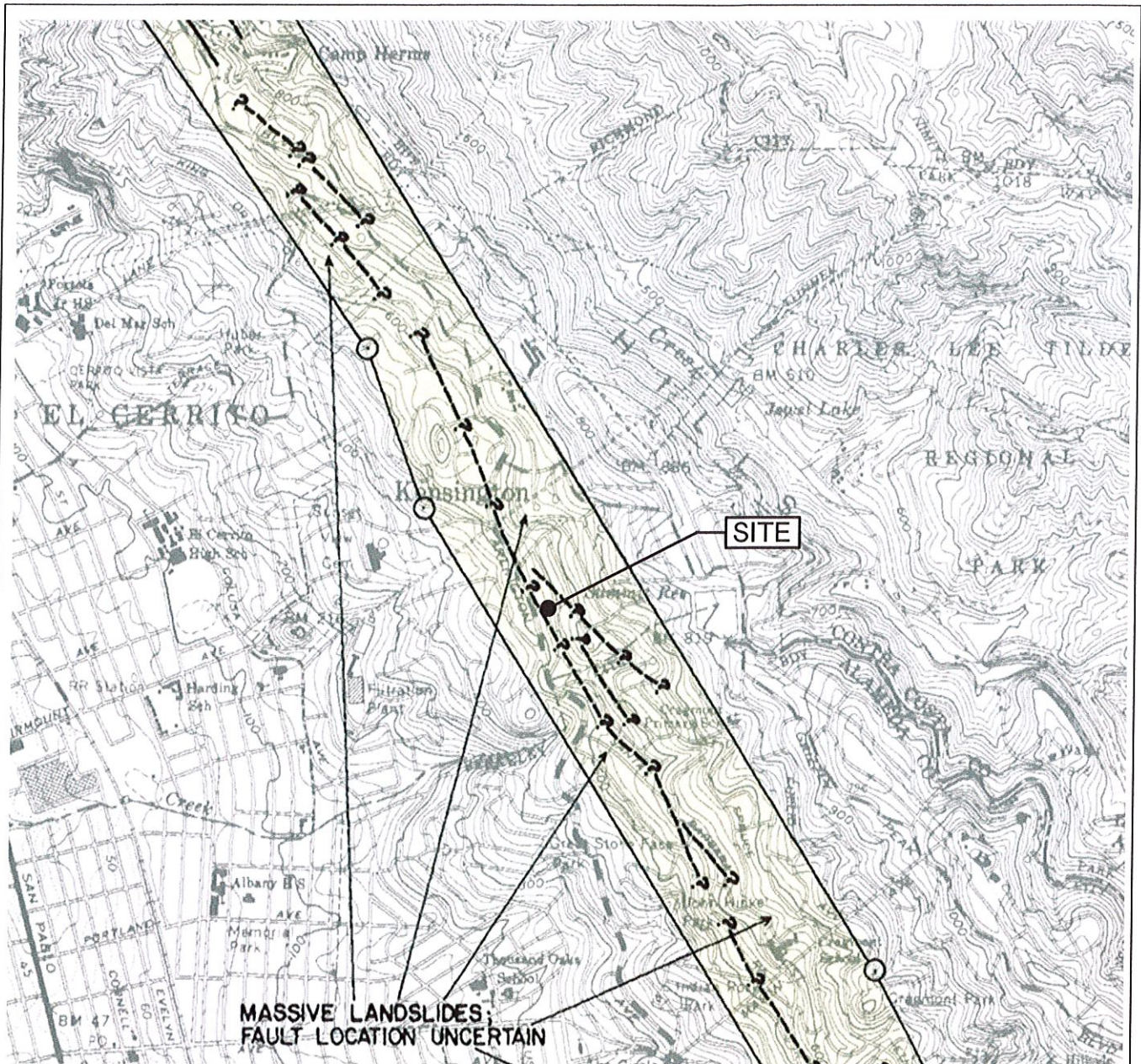
- PROJECT BOUNDARY
- SL-3 APPROXIMATE LOCATION OF SEISMIC LINES (ADVANCED 2017)
- BH#2 APPROXIMATE BORING LOCATIONS (SEIDELMAN ASSOCIATES, INC. 1990)
- HOLE 5 APPROXIMATE BORING LOCATIONS (WOODWARD CLYDE 1969)
- TRENCH NO. 3 APPROXIMATE TRENCH LOCATIONS (WOODWARD CLYDE 1969)

SITE PLAN

Essential Services Building
 217 Arlington Boulevard
 Kensington, CA

DATE: 1-23-18 | Project No. 17-1381 | Figure 2

ROCKRIDGE
 GEOTECHNICAL



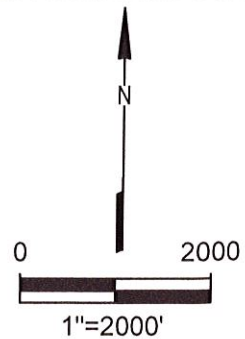
MAP EXPLANATION

Potentially Active Faults

Faults considered to have been active during Holocene time and to have a relatively high potential for surface rupture: solid line where accurately located, long dash where approximately located, short dash where inferred, dotted where concealed; query (?) indicates additional uncertainty. Evidence of historic offset indicated by year of earthquake-associated event or C for displacement caused by creep or possible creep.

Special Studies Zone Boundaries

- These are delineated as straight-line segments that connect encircled turning points so as to define special studies zone segments.
- Seaward projection of zone boundary.



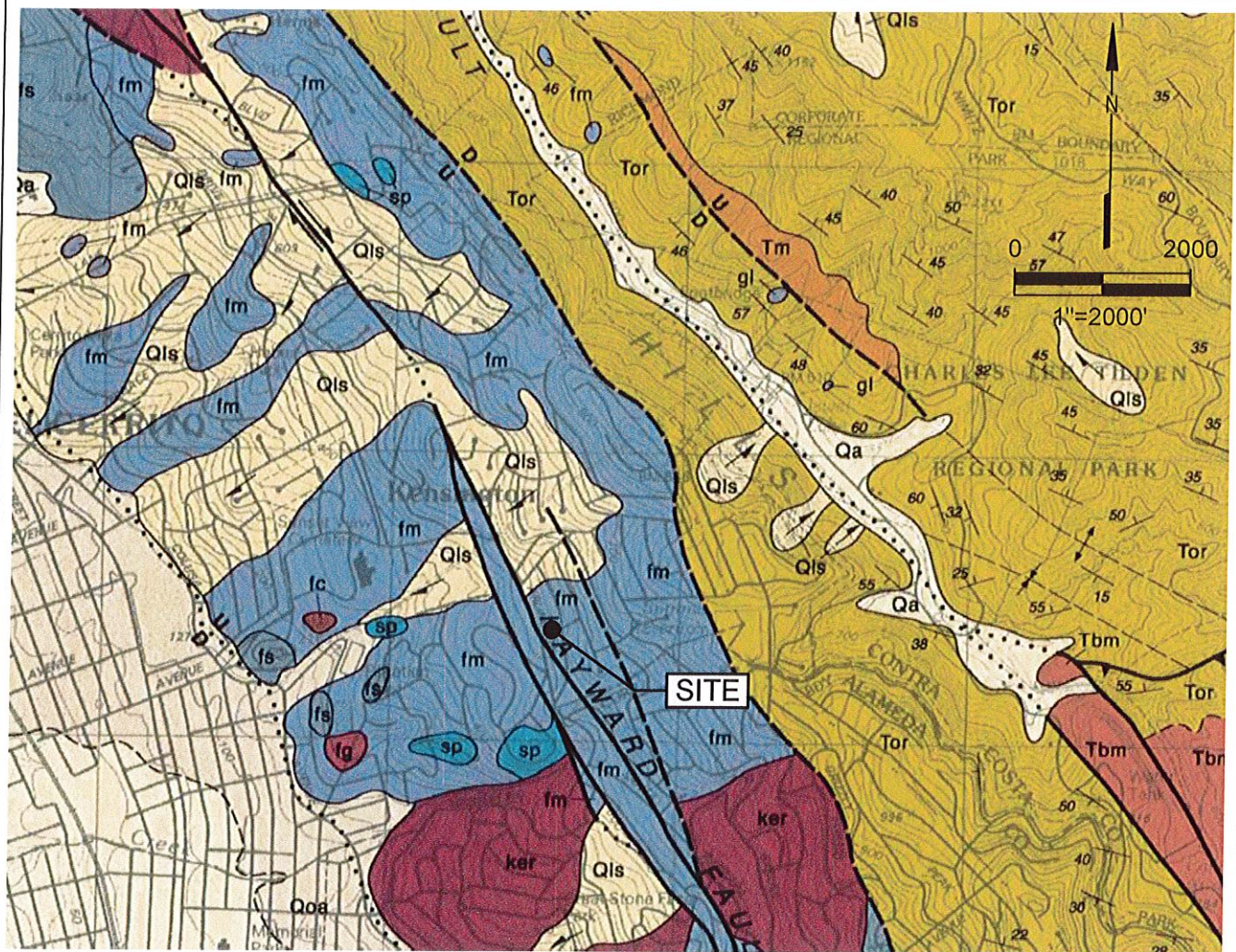
OFFICIAL EARTHQUAKE FAULT ZONES MAP

Essential Services Building
 217 Arlington Boulevard
 Kensington, CA

DATE: 1-23-18 Project No. 17-1381 Figure 3



BASE: PORTION OF STATE OF CALIFORNIA SPECIAL STUDIES ZONES, RICHMOND QUADRANGLE, CALIFORNIA AT A SCALE OF 1:24,000.



EXPLANATION

— CONTACT - DEPOSITIONAL OR INTRUSIVE CONTACT, DASHED WHERE APPROXIMATELY LOCATED, DOTTED WHERE CONCEALED

- - - FAULT - DASHED WHERE APPROXIMATELY LOCATED, DOTTED WHERE CONCEALED

↘ STRIKE AND DIP OF BEDDING

Qa ALLUVIAL GRAVEL, SAND AND CLAY OF VALLEY AREAS

Qls LANDSLIDE RUBBLE

Qoa DISSECTED OLDER ALLUVIAL GRAVEL AND SAND, UNDERFORMED; AGE LATE PLEISTOCENE

Tor TERRESTRIAL PEBBLE CONGLOMERATE, SANDSTONE AND CLAYSTONE, INTERBEDDED, GRAY TO GREENISH GRAY

sp SERPENTINITE, HYDROTHERMALLY METAMORPHOSED FROM ULTRAMAFIC IGNEOUS ROCKS, SUCH AS DUNITE, HYDROUS MAGNESIUM SILICATE, MASSIVE, AMORPHOUS, BLUE-GREEN GRAY, MUCH FRACTURED, SHEARED, SLICKENSIDED

fm MELANGE (MIXTURE) OF FRANCISCAN ROCK FRAGMENTS IN MATRIX OF PERVASIVELY SHEARED DARK CLAYSTONE AND GRAYWACKE

fg GREENSTONE (METABASALT)

fc CHERT OR METACHERT, VARICOLORED, THIN BEDDED, BRITTLE, CONTORTED

fs GRAYWACKE SANDSTONE, GRAY, MASSIVE, FINE GRAINED HARD

REGIONAL GEOLOGIC MAP

Essential Services Building

217 Arlington Boulevard
Kensington, CA

DATE: 1-23-18

Project No. 17-1381

Figure 4

BASE: PORTION OF GEOLOGIC MAP OF THE RICHMOND QUADRANGLE, CONTRA COSTA AND ALAMEDA COUNTY, CALIFORNIA BY DIBBLEE AND MINCH, 2005 #DF-147

RR ROCKRIDGE
GEOTECHNICAL



EXPLANATION

— HAYWARD FAULT ZONE, NORTHERN HAYWARD SECTION (HAYWARD FAULT)



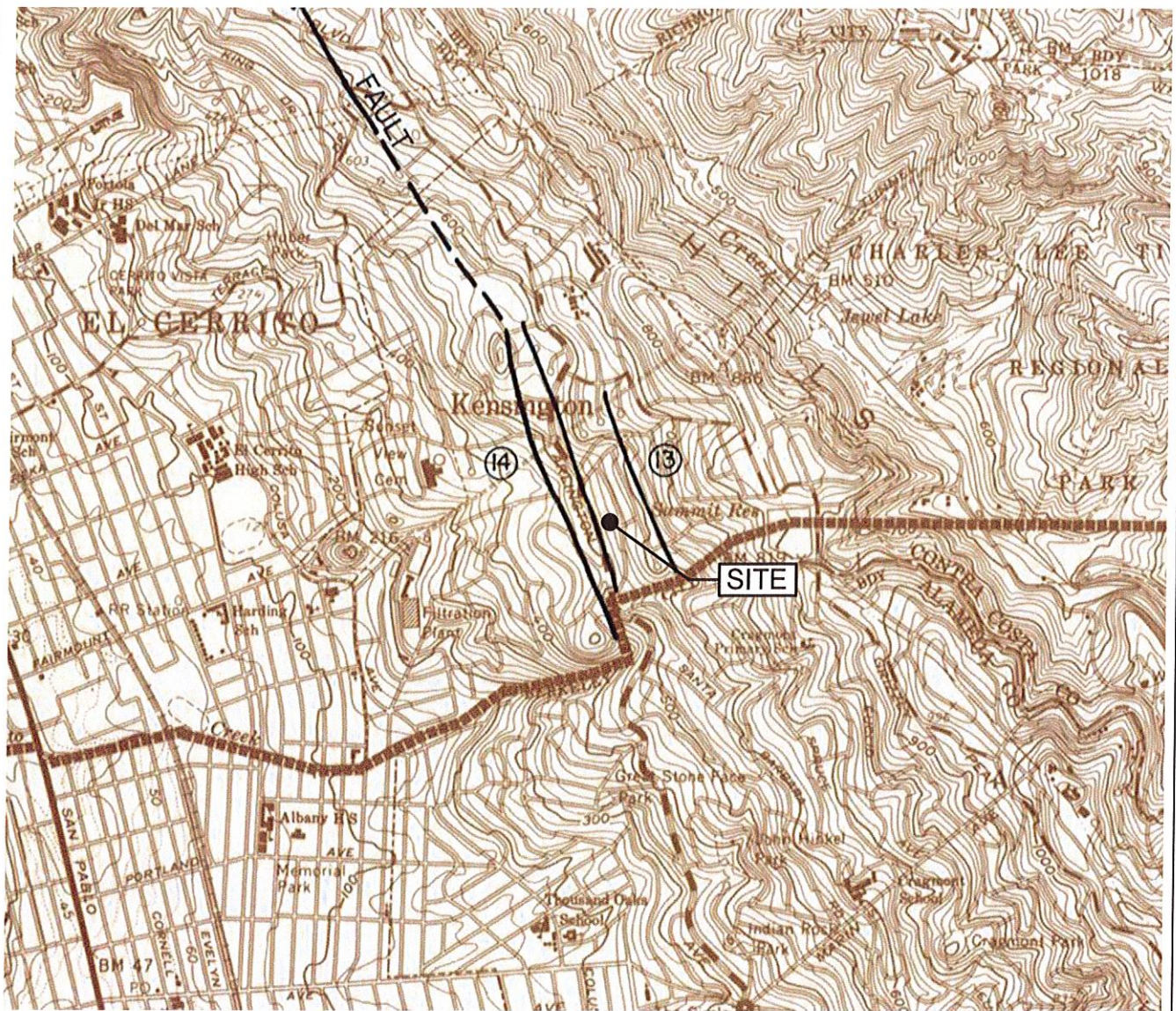
QUATERNARY FAULT MAP

Essential Services Building
 217 Arlington Boulevard
 Kensington, CA

DATE: 1-23-17	Project No. 17-1381	Figure 5
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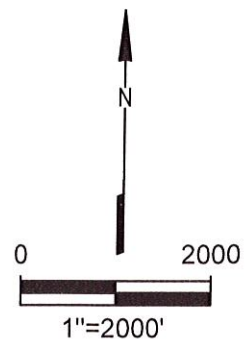


BASE: GOOGLE EARTH AERIAL IMAGE



(17) --- Active fault; dashed where approximate; dotted where concealed; numbers refer to localities mentioned in the text.

~ Tsunami Line: delineates highest anticipated run-up due to tsunami from distant sources; dashed where approximate.



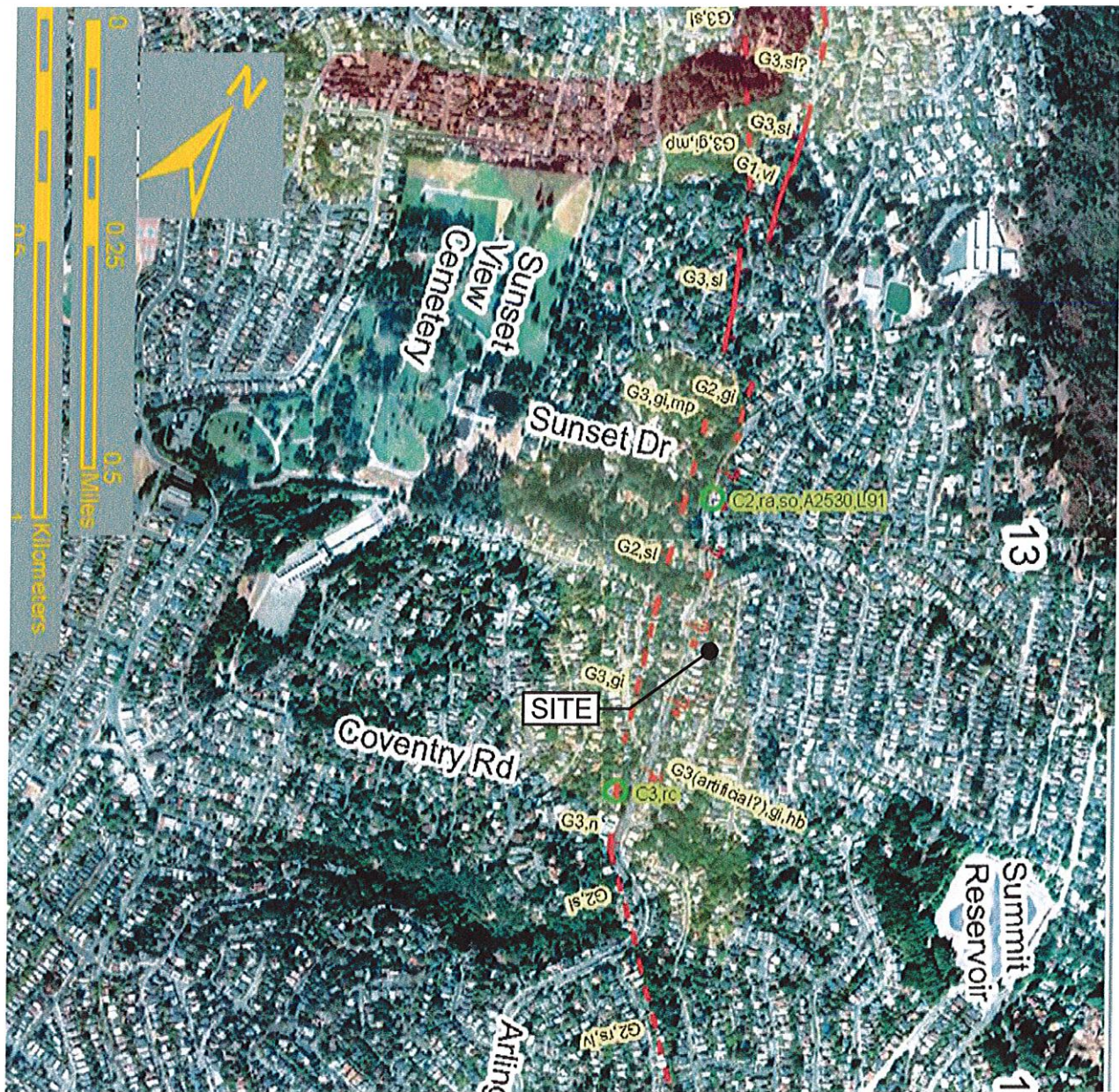
**ACTIVE FAULTS AND
TSUNAMI RISK MAP**

Essential Services Building
217 Arlington Boulevard
Kensington, CA

DATE: 1-23-18 Project No. 17-1381 Figure 6



BASE: TRI CITIES SEISMIC SAFETY ELEMENT, PRELIMINARY REPORT 19, PLATE 2, TITLED, "ACTIVE FAULTS AND TSUNAMI RISK MAP"





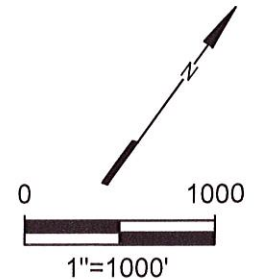
C - CREEP EVIDENCE

- 2 - DISTINCT AND CERTAIN CREEP EVIDENCE
- 3 - INCONCLUSIVE EVIDENCE FOR CREEP
- ec - EN ECHELON LEFT-STEPPING CRACKS IN PAVEMENT
- hb - LINEAR HILLSIDE BENCH
- lv - LINEAR VALLEY OR TROUGH
- ra - RIGHT LATTERLY OFFSET AQUEDUCT PIPE OR TUNNEL
- rb - DISTORTION OR RACKING OF ABOVE-GRADE STRUCTURE (INCLUDING SEPARATING ADDITIONS AND STAIRWAYS)
- rc - RIGHT-LATERALLY OFFSET CURB OR FORM LINE
- rf - RIGHT LATERALLY OFFSET FAINTED LINE
- rs - RIGHT-LATERALLY OFFSET STREAM OR GULLY
- so - SURVEYED OFFSET FEATURE

G - GEOMORPHIC FEATURES

- G1 - STRONGLY PRONOUNCED FEATURE
- G2 - DISTINCT FEATURE
- G3 - WEAKLY PRONOUNCED FEATURE
- G1 - LINEAR BREAK (OR GRADUAL INFLECTION) IN SLOPE
- LV - LINEAR VALLEY OR TROUGH
- SL - LINEAR SCARP, UNDIFFERENTIATED
- HV - LINEAR HILLSIDE VALLEY
- SE - SUBSOIL EXPOSED

-  HAYWARD FAULT
-  CREEP EVIDENCE



ACTIVE TRACES OF THE HAYWARD FAULT

Essential Services Building
217 Arlington Boulevard
Kensington, CA

DATE: 1-23-18 Project No. 17-1381 Figure 7

 **ROCKRIDGE
GEOTECHNICAL**

APPENDIX A
Geophysical Investigation Results

November 6, 2017

Linda H.J. Liang, P.E., G.E.
Rockridge Geotechnical
270 Grand Avenue | Oakland, CA 94610

Subject: Geophysical Investigation Results
Kensington Public Safety Building
217 Arlington Avenue
Kensington, California

Dear Ms. Liang:

1.0 INTRODUCTION

This letter presents the results of Advanced Geological Services, Inc. (AGS) geophysical investigation to look for indications of a geologic fault in the vicinity of the proposed footprint of a planned new, larger public safety building at the site of the current public safety building, 217 Arlington Avenue in Kensington, California (Figure 1).

The investigation was performed on October 18 and 22, 2017 by AGS senior geophysicist Roark W. Smith. The investigation comprised seismic refraction and ground penetrating radar (GPR) surveys to look for discontinuities in the subsurface that could indicate the presence of a geologic fault.

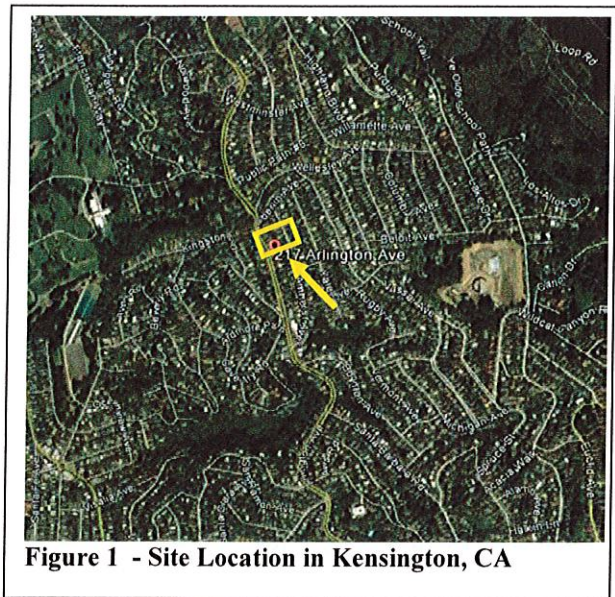


Figure 1 - Site Location in Kensington, CA

The surveys were performed along three lines—one that extended across Arlington Avenue and up the driveway alongside the existing public safety building (SL-2), a second running diagonally across the parking lot behind the building (SL-3), and a third through the neighbor's backyard east of the public safety building (SL-1).

2.0 SUMMARY OF FINDINGS

- No definitive fault indications were observed in the seismic or GPR survey results. It is worth noting, however, that SL-1 exhibits different subsurface conditions than SL-2 and SL-3, which suggests there may be a geologic discontinuity at the gap between SL-1 and the other the two seismic lines (i.e., along the retaining wall between the back of the public safety building parking lot and the neighbor's yard).

- Specifically, SL-1 (in the neighbor's backyard) shows higher-velocity material ("bedrock") in the shallow subsurface, compared to SL-2 and SL-3. This result could simply mean that, as a result of erosion, bedrock is closer to the surface in the topographically higher portion of the site, or it may indicate a change in bedrock attitude (e.g., dip in bedding) that causes bedrock to be deeper towards the west. Or, the absence of the higher-velocity "bedrock" material in the SL-2 and SL-3 models could indicate that earth movement along a fault or slide plane dropped the bedrock layer below the investigation depth limits of the refraction survey.
- GPR profiles show shallow layering associated with pavement and fill material and reflections from buried utilities, but no layer offsets or disruptions indicative of a possible fault. The GPR survey achieved an investigation depth of approximately four feet.

3.0 SITE DESCRIPTION

The investigation was performed along a sloping, roughly east-west oriented, 400-foot long "Z"-shaped alignment that spanned Arlington Avenue and extended up the side driveway next to the fire station building, angled across the rear parking lot, and extended through the backyard and narrow side-yard of the neighbor's property at 220 Amherst Avenue (Figure 2). The sloping alignment exhibited approximately 40 feet of topographic relief from Amherst Avenue down to Arlington Avenue, with an approximately 8.50-foot drop at the retaining wall between the Amherst Avenue backyard and the public safety building parking lot, which also marks the gap between SL-1 and SL-3. The ground surface ranged from asphalt and concrete pavement on the streets and sidewalks to soil in the backyard at 220 Amherst Avenue. It is worth noting that numerous underground utility mark-outs were observed along SL-2.

4.0 SEISMIC REFRACTION (SR) METHOD OVERVIEW

The seismic refraction method uses compressional (P-) wave energy to delineate seismic velocity layers within the subsurface. Interpretation entails correlating the velocity layers to geologic features such as soil and various types of bedrock. To perform a refraction survey, an elastic wave (compressional, or P-wave) is generated at certain locations (shotpoints) along a survey line. The P-wave energy is usually produced with a small explosion or by striking the ground with a sledgehammer. As the P-wave propagates through the ground it is refracted along boundaries between geologic layers with different seismic velocities.

Part of the refracted P-wave energy returns to the ground surface where it is detected by vibration-sensitive devices called geophones, which are placed in a linear array along the seismic survey line. Using linear, "straight-line" geophone arrays is necessary for accurate assessments of the depth, thickness, and velocity of the detected geologic layers. The geophone data are fed to a seismograph, where they are recorded, and then to a computer, where they are analyzed to determine the depth and velocities of subsurface seismic layers. Key data for refraction analysis are the positions of the geophones and shotpoints along a seismic line, and the amount of time it takes for the refracted wave to travel from the shotpoint to each geophone location. Because the P-wave is the fastest traveling of all types of seismic waves, it can be readily identified as the

first deflection (“first break”) on a seismic trace.

Additional discussion of the refraction method, its limitations, and the relationship between seismic velocity and geologic materials is presented in Appendix A.

5.0 GROUND PENETRATING RADAR (GPR) METHOD

GPR uses radar technology to produce a graphical profile of the subsurface that shows soil layering and images of buried objects. GPR systems typically use a single transceiving antenna (one that both transmits and receives) that is dragged along the ground surface. The antenna emits a radar pulse into the ground; some of the radar energy reflects off of interfaces between materials with different electrical properties (e.g., soil and metal) and returns to the surface where it is detected by the antenna and sent via a cable to a separate control unit where it is amplified and displayed on a computer screen as a “wobble trace,” which is a vertical plot of changes in reflection amplitudes over time (although the vertical scale of a GPR profile is usually considered as depth, it actually measures the travel-time of the radar pulse from the surface to a reflecting interface and back to the surface). A subsurface profile is built as the antenna is pulled along the survey line and successive wobble traces are recorded. GPR data are usually displayed as an array of closely-spaced traces, a technique that produces an image of the subsurface as the reflections (wobbles) on adjacent traces merge into coherent patterns.

Soil layer boundaries appear as laterally continuous horizontal bands across a GPR profile. Depending on their composition, buried objects appear as localized, high-amplitude (darker) reflection patterns, with the reflection amplitude (“darkness”) being a function of burial depth and the degree of contrast between the object and the surrounding soil. Metallic objects usually produce strong reflections, while concrete can produce weak reflections because its electrical properties are so similar to those of sandy soil. Buried pipes and USTs often exhibit a characteristic “upside down U” hyperbolic pattern, which allows them to be readily identified on a GPR record. Geologic faults can appear as offsets or discontinuities and/or zones of chaotic reflection patterns that disrupt the horizontal layering on a GPR profile. However, GPR is subject to investigation depth limitations; in electrically conductive soil (e.g., moist, fine-grained soil), the GPR signal may only penetrate 2 feet. Additionally, sites with heterogeneous fill material often produce “cluttered” GPR records that can mask utility images. And finally, a subsurface target requires a certain minimum diameter to be imaged by GPR; a good rule-of-thumb is that a target requires a least 1 inch of diameter for each foot of burial to be imaged with GPR. In other words, a 2-inch pipe buried 4 feet deep probably will not be imaged.

6.0 FIELD PROCEDURES

Seismic Survey

AGS obtained seismic data along three lines, designated SL-1, SL-2 and SL-3. The work at SL-1, located in the 220 Amherst Avenue backyard, was performed on October 18, 2017. The work at SL-2, which spanned Arlington Avenue, was performed starting at first light early Sunday morning October 22 so as not to obstruct vehicle traffic and also to avoid the associated seismic noise. SL-3, through the public safety building parking lot, was surveyed immediately

after SL-2.

For each line, AGS first laid out a fiberglass tape measure and then placed 24 geophones on the ground at nominal 5- to 10-foot intervals depending on the available straight-line distance. SL-1 used 5-foot geophone spacings for a total length of approximately 125 feet. SL-2 used a mixture of 5- and 10-foot geophone spacings, although 15-foot spacings were used on Arlington Avenue so that vehicles could pass, for a total length of 175 feet. SL-3 used 5-foot geophone spacings, but only 17 geophones were used due to space limitations, so the total line length was 90 feet.

On pavement (most of SL-2 and SL-3), the geophones were coupled to the ground using metal plates attached to each geophone base. On soil (most of SL-1), the geophones were coupled to the ground with 4-inch metal spikes. From three to five shotpoints were used at each array, depending on the length. In general, shotpoints were located in the center and 5 feet beyond the ends of geophone array. Two additional shotpoints at the “quarter points” were used for SL-2 for a total of five shotpoints. AGS produced seismic waves through multiple impacts with a 16-lb sledge hammer on a metal plate placed on the ground surface at shotpoint locations on soil. The plate was not used for locations on pavement; the pavement was struck directly with the hammer. Five to ten hammer blows were used (“stacked”) at each shotpoint. The seismic waves produced by the hammer impacts were detected using GeoSpace Corp. 4.5-Hz geophones.

The detected seismic signals were recorded using a DAQLink II seismic system connected to a laptop computer. The seismic signals were recorded for 2 seconds using a 0.125 millisecond (ms) sample rate. After the seismic data were obtained along each spread, AGS performed a hand-level survey to measure the relative elevation changes along the line so that the ground surface topography could be incorporated into the data analysis.

GPR Survey

AGS performed the GPR survey by wheeling the cart-mounted GPR system along the same lines as the seismic survey (Figure 2). Using the system’s viewing screen to monitor the data as the survey progressed, the GPR profiles were inspected in the field for lateral discontinuities in layering that could indicate recent movement along a fault.

7.0 DATA PROCESSING AND ANALYSIS

Seismic Data

The seismic refraction data quality for this project was generally good to fair. Most “first break” picks were made easily and with high confidence; however, some data at the far (from the shotpoint) ends of the geophone spreads were poor due to noise and weak signal transmission through concrete pavement. Underground utilities crossing the seismic lines may have also contributed to the poor signal quality in places. Data quality was enhanced by “stacking,” which entailed using multiple hammer blows at each shotpoint location to improve the signal-to-noise ratio. The additive affect of stacking of multiple hammer blows at the same location enhances or increases the amplitude of the signal (i.e., the refracted wave arrival) while amplitude of the background noise, which, being random in nature, tends to cancel itself on successive hammer blows and remains largely unchanged.

Seismic data were transferred from the seismograph to a desktop computer where they were processed using the *SeisImager* software package by Geometrics, Inc. Briefly, *SeisImager* is a computer inversion program that generates an initial velocity layer model, produces synthetic data from the model, and then adjusts the model so that the synthetic data better matches the observed field data. The agreement between the synthetic and observed data provides an indication of how well the model represents the true subsurface conditions.

First, AGS used the *SeisImager* module *PickWin* to interpret (“pick”) the P-wave arrivals (“first breaks”) for each of the shotpoint data sets (“shot gathers”) per line. *PickWin* was also used to check (against the geophysicist’s field log) that the proper locations were assigned to the geophones and shotpoints. Next, the first break files were fed to the *SeisImager* module *PlotRefra*, which was used review time-distance (TD) plots for the seismic lines and assign a seismic layer to each arrival time. For the refraction analysis, each P-wave arrival is considered to have refracted from a distinct seismic layer. The number of layers resolved by the seismic survey, and their thickness and average velocity, is indicated by straight line segments on the TD plot; because these straight-line segments represent a constant velocity condition within the subsurface, they often represent a distinct geologic layer. It is worth noting that estimates of velocity, thickness and depth of seismic layers can be made from the TD plots. Topographic elevation files, which were prepared from the hand-level data, were incorporated into the analysis at this point. Next, a time-term inversion was performed to produce layered velocity models. Time-term inversion is a linear least-squares technique that uses the layer assignments and the distances and travel times between the shotpoints and the geophones to develop a velocity layer model that best fits the observed data.

The layered velocity models were then used as starting models for the tomographic inversion process, which was used to assess lateral velocity variations along each seismic line to better show any discontinuities in the subsurface indicative of a fault. Briefly, tomographic inversion is a grid-based modeling process wherein the subsurface is divided into rectangular cells based on the geophone spacing. The tomography software assigns a velocity to each cell, produces a synthetic arrival-time data set based on seismic raypaths projected through the velocity grid, and then compares the synthetic data to the real data recorded in the field. The cell velocities are then adjusted and re-adjusted until the synthetic data achieve a “best fit” with the observed field data. Tomographic modeling is often used to complement layered modeling at sites where gradual velocity transitions, such as those often seen between weathered and unweathered bedrock, are expected. Tomographic modeling can also depict lateral velocity variations within the subsurface more accurately than a layered modeling approach.

GPR Data

Using the system’s viewing screen to monitor the data as the survey progressed, the GPR profiles were inspected in the field for lateral discontinuities in layering that could indicate recent movement along a fault. The profiles were re-examined upon returning to the office.

8.0 RESULTS

The geophysical investigation results are presented on Figures 2, 3, and 4. Figure 2 shows the seismic and GPR line locations. Figure 3 shows the tomographic models generated from the seismic refraction data. Figure 4 shows the Ground Penetrating Radar profiles.

In general, the seismic results indicate three velocity layers— an upper, low-velocity layer (red-orange colors on the tomographic models) corresponding to soil and/or fill material, an intermediate velocity layer (yellow-green colors) representing weathered bedrock, and a higher-velocity basement layer (blue colors) that is interpreted to represent little-weathered bedrock. No definitive fault indications were observed in the individual tomographic models or GPR survey profiles.

It is worth noting, however, that SL-1 exhibits different subsurface conditions than SL-2 and SL-3, which suggests there may be a geologic discontinuity at the gap between SL-1 and the other two seismic lines (i.e., along the retaining wall between the back of the public safety building parking lot and the neighbor's yard). Specifically, SL-1 (in the neighbor's backyard) shows higher-velocity bedrock in the shallow subsurface, compared to SL-2 and SL-3. This result could simply mean that, as a result of erosion, bedrock is closer to the surface in the topographically higher portion of the site, or it may indicate a change in bedrock attitude (e.g., dip in bedding) that causes bedrock to be deeper towards the west.

Or, the absence of the higher-velocity "bedrock" material in the SL-2 and SL-3 models could mean that earth movement along a fault or slide plane dropped the bedrock layer just below the investigation depth limits of the refraction survey. Although not shown on the models, examination of the raw data (the TD plots) suggests that the higher-velocity material seen along SL-1 may be present at a depth of about 30 feet along SL-2.

GPR profiles show shallow layering associated with pavement and fill material and reflections from buried utilities, but no layer offsets or disruptions indicative of a possible fault. The GPR survey achieved an investigation depth of approximately four feet.

9.0 CLOSING

All geophysical data and field notes collected as a part of this investigation will be archived at the AGS office. The data collection and interpretation methods used in this investigation are consistent with standard practices applied to similar geophysical investigations. The correlation of geophysical responses with probable subsurface features is based on the past results of similar surveys although it is possible that some variation could exist at this site. Due to the nature of geophysical data, no guarantees can be made or implied regarding the targets identified or the presence or absence of additional objects or targets.

AGS appreciates working for you. We enjoyed this project and we look forward to working with you again.

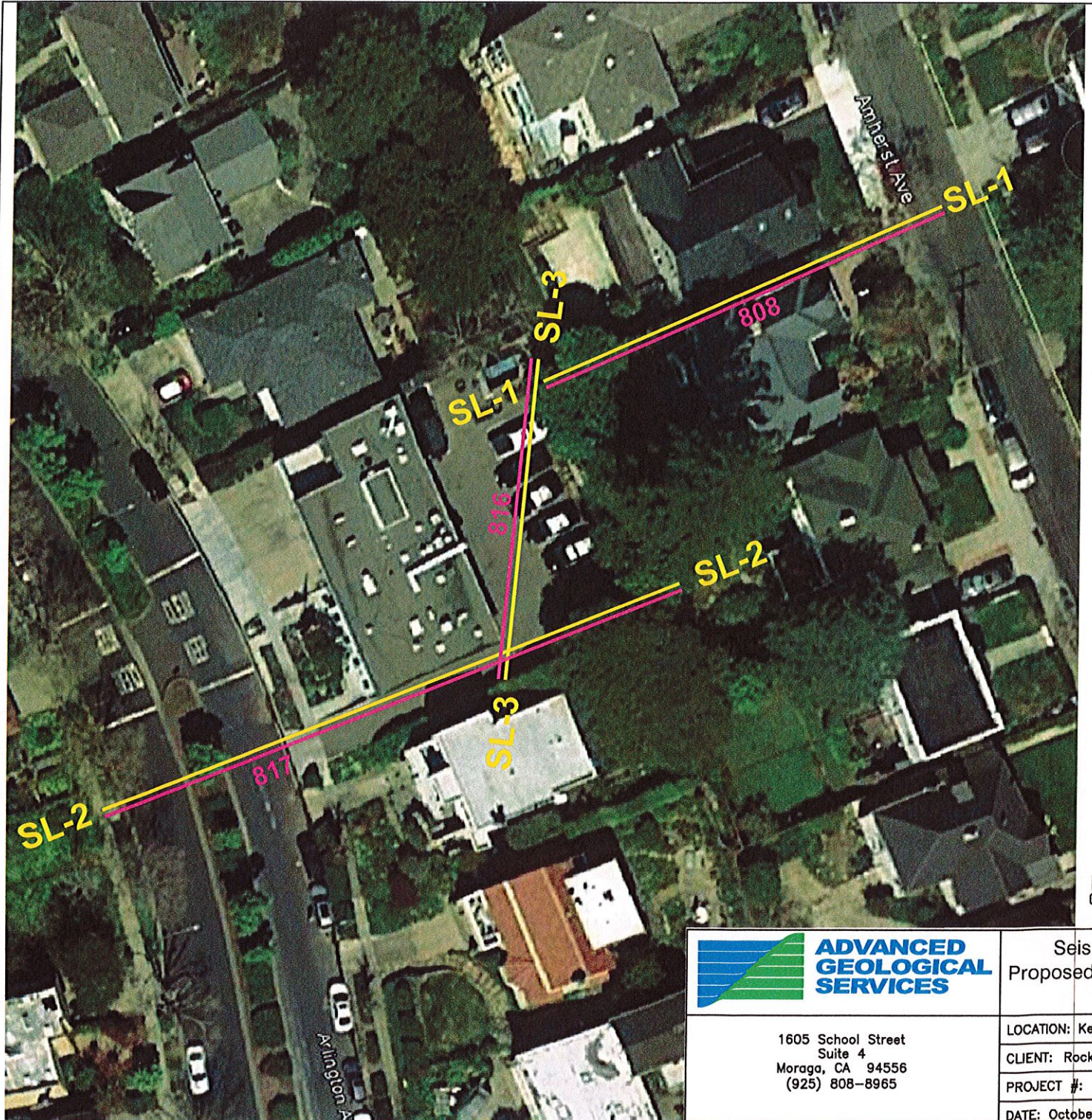
Sincerely,



Roark W. Smith
Senior Geophysicist
Advanced Geological Services, Inc.

Figures:	Figure 1	Site Location Map (imbedded in Report text)
	Figure 2	Seismic and GPR Line Locations
	Figure 3	Seismic Refraction Survey Results
	Figure 4	Ground Penetrating Radar (GPR) Survey Results

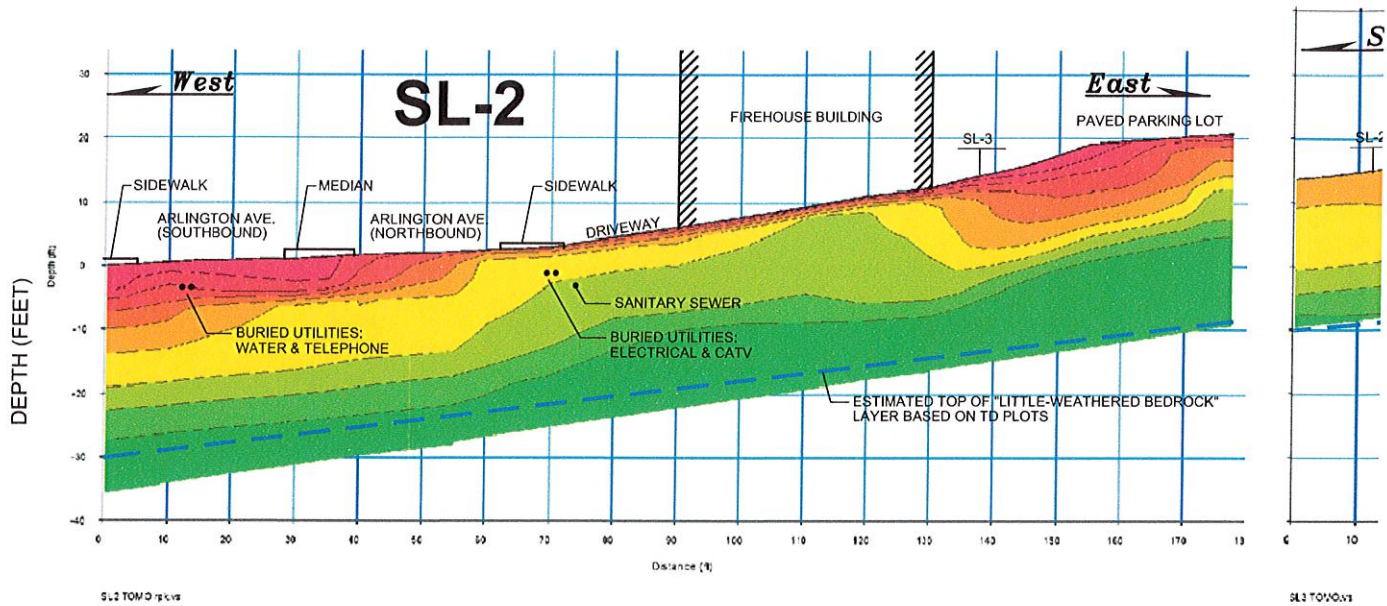
Attachments:	Appendix A:	Seismic Velocity and Limitations of the Refraction Method
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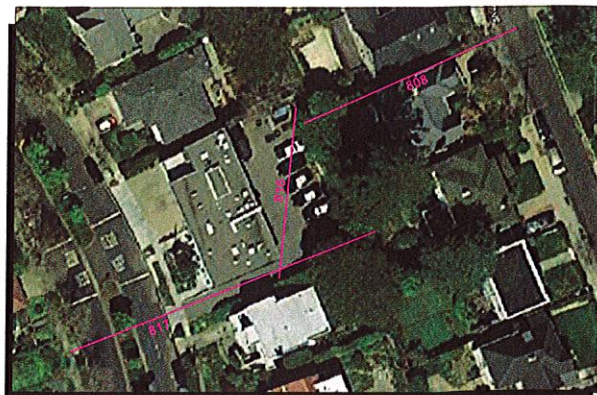
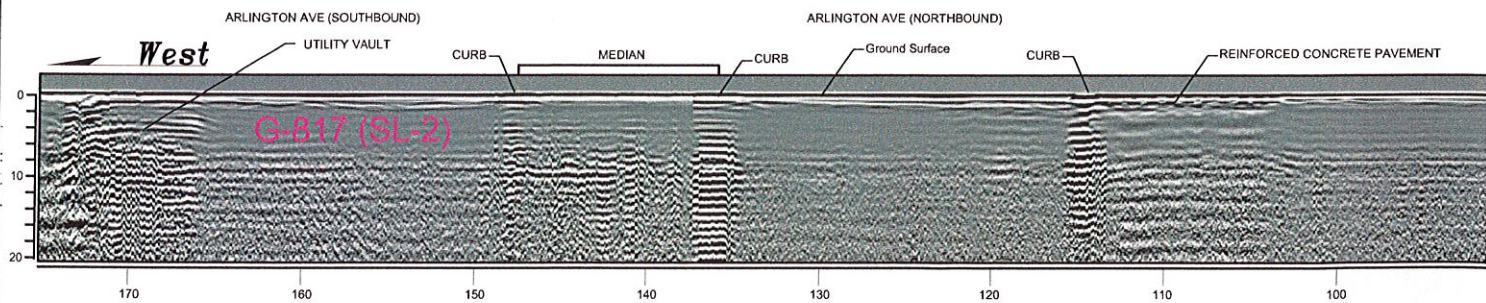
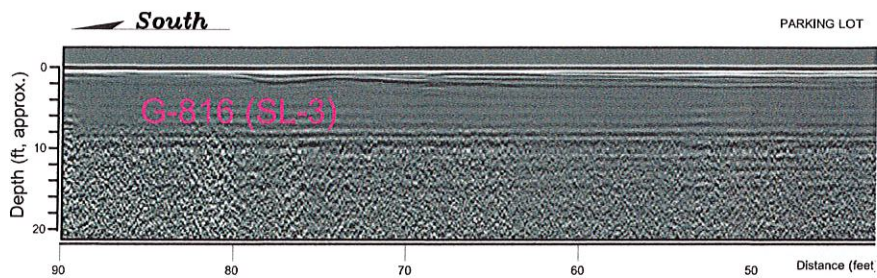
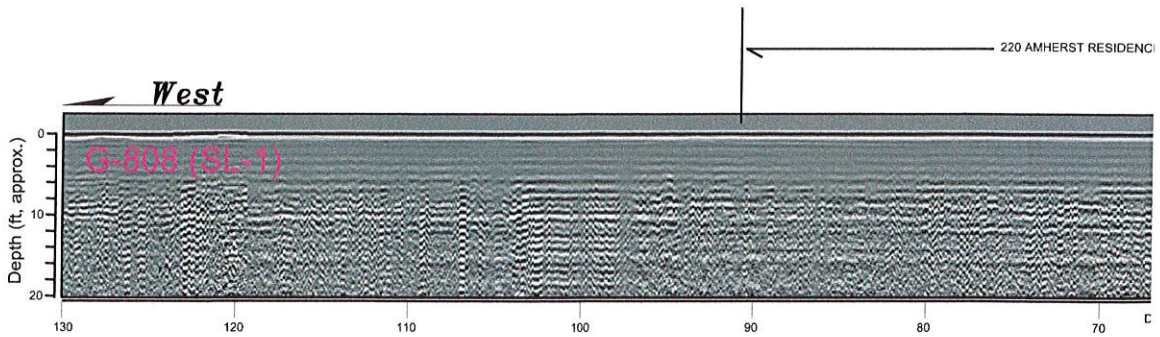
1605 School Street
 Suite 4
 Moraga, CA 94556
 (925) 808-8965

Seismic a
 Proposed Publ
 217

LOCATION:	Kensingt
CLIENT:	Rockridge (
PROJECT #:	17-1.
DATE:	October 29,



LINE LOCATION M



LINE LOCATION MAP

APPENDIX A

SEISMIC VELOCITY AND LIMITATIONS OF THE REFRACTION METHOD

The physical properties of earth materials (fill, sediment, rock) such as compaction, density, hardness, and induration dictate the corresponding seismic velocity of the material. Additionally, other factors such as bedding, fracturing, weathering, and saturation can also affect seismic velocity. In general, low velocities indicate loose soil, poorly compacted fill material, poorly to semi-consolidated sediments, deeply weathered, and highly fractured rock. Conversely, high velocities are indicative of competent rock or dense and highly compacted sediments and fill. The highest velocities are measured in unweathered and little fractured rock.

There are certain limitations associated with the seismic refraction method as applied for this investigation. These limitations are primarily based on assumptions that are made by the data analysis routine. The data analysis routine assumes that the velocities along the length of each spread are uniform. If there are localized zones within each layer where the velocities are higher or lower than indicated, the analysis routine will interpret these zones as changes in the surface topography of the underlying layer. A zone of higher velocity material would be interpreted as a low in the surface of the underlying layer. Zones of lower velocity material would be interpreted as a high in the underlying layer. The data analysis routine also assumes that the velocity of subsurface materials increase with depth. Therefore, if a layer exhibits velocities that are slower than those of the material above it, the slower layer will not be resolved. Also, a velocity layer may simply be too thin to be detected.

The quality of the field data is critical to the construction of an accurate depth and velocity profile. Strong, clear "first-break" information from refracted interfaces will make the data processing, analysis, and interpretation much more accurate and meaningful. Vibrational noise or poor subsurface conditions can decrease the ability to accurately locate and pick seismic waves from the interfaces.

Due to these and other limitations inherent to the seismic refraction method, resultant velocity cross-sections should be considered only as approximations of the subsurface conditions. The actual conditions may vary locally.

Kensington Fire Protection District
Revenue & Expense Budget vs. Actual
 July through December 2017

	Jul - Dec 17	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Property Taxes	3,633,365.41	3,800,000.00	-166,634.59	95.6%
Special Taxes	200,395.20	200,287.00	108.20	100.1%
Other Tax Income	0.00	0.00	0.00	0.0%
Lease Agreement	14,778.35	17,734.98	-2,956.63	83.3%
Interest Income	18,383.21	14,450.00	3,933.21	127.2%
Salary Reimbursement Agreement	21,673.64	28,938.50	-7,262.86	74.9%
Miscellaneous Income	1,181.74	0.00	1,181.74	100.0%
Total Income	3,889,777.55	4,061,408.48	-171,630.93	95.8%
Expense				
OUTSIDE PROFESSIONAL SERVICES				
LAFCO Fees	2,122.85	2,200.00	-77.15	96.5%
Contra Costa County Expenses	2,711.76	2,775.50	-63.74	97.7%
El Cerrito Contract Fee	1,177,878.00	1,413,453.52	-235,575.52	83.3%
Fire Abatement Contract	0.00	0.00	0.00	0.0%
Fire Engineer Plan Review	0.00	1,000.00	-1,000.00	0.0%
Risk Management Insurance	13,268.00	13,163.00	105.00	100.8%
Professional Fees				
Accounting	1,056.25	2,370.00	-1,313.75	44.6%
Actuarial Valuation	5,500.00	7,500.00	-2,000.00	73.3%
Audit	13,000.00	16,000.00	-3,000.00	81.3%
Legal Fees	7,133.40	19,999.98	-12,866.58	35.7%
Total Professional Fees	26,689.65	45,869.98	-19,180.33	58.2%
Water System Improvements	0.00	5,000.00	-5,000.00	0.0%
Wildland Vegetation Mgmt	850.00	1,000.00	-150.00	85.0%
Total OUTSIDE PROFESSIONAL SER...	1,223,520.26	1,484,462.00	-260,941.74	82.4%
RETIREE MEDICAL BENEFITS				
PERS Medical	25,507.84	0.00	25,507.84	100.0%
Delta Dental	4,035.44	0.00	4,035.44	100.0%
Vision Care	1,284.50	0.00	1,284.50	100.0%
Total RETIREE MEDICAL BENEFITS	30,827.78	0.00	30,827.78	100.0%
COMMUNITY SERVICE ACTIVITIES				
Public Education	2,870.26	4,850.00	-1,979.74	59.2%
Comm. Pharmaceutical Drop-Off	1,108.79	2,000.00	-891.21	55.4%
Vial of Life Program	98.91	0.00	98.91	100.0%
CERT Emerg Kits/Sheds/Prepared	590.91	6,000.00	-5,409.09	9.8%
Open Houses	307.13	1,200.00	-892.87	25.6%
Community Shredder	1,308.97	1,375.00	-66.03	95.2%
DFSC Matching Grants	0.00	0.00	0.00	0.0%
Firesafe Planting Grants	0.00	1,000.00	-1,000.00	0.0%
Demonstration Garden	0.00	1,000.00	-1,000.00	0.0%
Community Sandbags	0.00	2,500.00	-2,500.00	0.0%
Total COMMUNITY SERVICE ACTIVITI...	6,284.97	19,925.00	-13,640.03	31.5%
DISTRICT ACTIVITIES				
Firefighter's Apparel & PPE	0.00	0.00	0.00	0.0%
Firefighters' Expenses	1,113.86	5,010.00	-3,896.14	22.2%
Staff Appreciation	0.00	500.00	-500.00	0.0%
Professional Development	1,117.02	2,580.00	-1,462.98	43.3%
Building Maintenance				
Needs Assess/Feasibility Study	16,376.00	20,000.00	-3,624.00	81.9%
Storage Room Emergency Repair	0.00	0.00	0.00	0.0%
Janitorial Service	630.00	750.00	-120.00	84.0%
Medical Waste Disposal	2,346.81	2,500.02	-153.21	93.9%
Building alarm	115.00	300.00	-185.00	38.3%
Gardening service	240.00	950.00	-710.00	25.3%
Miscellaneous Maint.	3,557.06	6,000.00	-2,442.94	59.3%
Total Building Maintenance	23,264.87	30,500.02	-7,235.15	76.3%
Building Utilities/Service				
Garbage	0.00	0.00	0.00	0.0%
Gas and Electric	3,763.56	3,750.00	13.56	100.4%
Water/Sewer	1,474.54	1,020.00	454.54	144.6%
Total Building Utilities/Service	5,238.10	4,770.00	468.10	109.8%
Election	0.00	0.00	0.00	0.0%
Memberships	7,008.00	7,035.00	-27.00	99.6%
Office				
Office Expense	2,109.14	1,500.00	609.14	140.6%
Office Supplies	297.41	1,260.00	-962.59	23.6%
Telephone	3,204.73	3,990.00	-785.27	80.3%
Total Office	5,611.28	6,750.00	-1,138.72	83.1%
Total DISTRICT ACTIVITIES	43,353.13	57,145.02	-13,791.89	75.9%
Staff				
Wages	43,218.84	43,210.02	8.82	100.0%
Longevity Pay	1,000.00	1,000.00	0.00	100.0%

Kensington Fire Protection District
Revenue & Expense Budget vs. Actual
 July through December 2017

	Jul - Dec 17	Budget	\$ Over Budget	% of Budget
Overtime Wages	810.32	769.98	40.34	105.2%
Vacation Wages	0.00	0.00	0.00	0.0%
Medical/dental ins compensation	4,095.00	4,095.00	0.00	100.0%
Retirement Contribution	3,284.64	3,284.00	0.64	100.0%
Payroll Taxes	3,995.68	3,894.48	101.20	102.6%
Workers Compensation/Life Ins	1,301.43	1,400.00	-98.57	93.0%
Payroll Processing	688.08	805.00	-116.92	85.5%
Total Staff	58,393.99	58,458.48	-64.49	99.9%
Contingency				
General	0.00	8,333.34	-8,333.34	0.0%
Total Contingency	0.00	8,333.34	-8,333.34	0.0%
Total Expense	1,362,380.13	1,628,323.84	-265,943.71	83.7%
Net Ordinary Income	2,527,397.42	2,433,084.64	94,312.78	103.9%
Other Income/Expense				
Other Income				
Transfers In - Capital	0.00	0.00	0.00	0.0%
Transfers In - General	104,052.70	0.00	104,052.70	100.0%
Total Other Income	104,052.70	0.00	104,052.70	100.0%
Other Expense				
Depreciation Expense	0.00	0.00	0.00	0.0%
Transfers Out - Capital	9,052.70	0.00	9,052.70	100.0%
Transfers Out - Special	95,000.00	0.00	95,000.00	100.0%
Transfers Out - General	0.00	0.00	0.00	0.0%
<Gain>/Loss on Asset Disposal	0.00	0.00	0.00	0.0%
Total Other Expense	104,052.70	0.00	104,052.70	100.0%
Net Other Income	0.00	0.00	0.00	0.0%
Net Income	2,527,397.42	2,433,084.64	94,312.78	103.9%

KFPD REVISED COMBINED REVENUE, EXPENSE AND CAPITAL BUDGET

Fiscal Year 2017-2018

	FY 2016-2017	FY 2016-2017	FY 2017-2018	FY 2018-2019
<u>REVENUE BUDGET</u>	<u>Budget</u>	<u>Est. Actual</u>	<u>Budget</u>	<u>Planning</u>
Property Taxes	3,570,295	3,715,003	3,863,605	3,940,875
Special Taxes	200,287	200,287	200,287	200,290
Other tax income	26,000	26,472	26,000	26,000
Interest income	20,000	46,278	60,000	70,000
Lease agreement	1	1	35,470	36,535
Salary reimb agreement	54,600	53,064	57,873	58,308
Miscellaneous income	0	1,388	0	0
Gain on Sale of Engine	0	30,000	0	0
Total Revenue	3,871,184	4,072,493	4,243,235	4,332,009
	FY 2016-2017	FY 2016-2017	FY 2017-2018	FY 2018-2019
<u>OPERATING EXPENSE BUDGET</u>	<u>Budget</u>	<u>Est. Actual</u>	<u>Budget</u>	<u>Planning</u>
OUTSIDE PROFESSIONAL SERVICES				
Accounting	5,000	3,952	5,250	5,500
Actuarial Valuation	0	0	7,500	0
Audit	13,000	13,000	16,000	15,000
CC County Expenses	33,350	31,796	32,500	33,000
EI Cerrito Contract	2,552,869	2,552,869	2,826,907	2,911,715
Fire Abatement Contract	8,000	265	8,000	8,000
Fire Engineer Plan Review	0	0	2,000	2,000
Insurance - Risk Mgmt	12,110	12,943	14,000	15,000
LAFCO Fees	1,850	2,124	2,200	2,300
Legal Fees	30,000	29,482	40,000	35,000
Water System Improvements	20,000	0	20,000	20,000
Website Development/Maint.	0	0	3,700	2,500
Wildland Vegetation Mgmt	10,000	7,450	10,000	10,000
RETIREE MEDICAL BENEFITS*				
PERS Medical (OPEB cost)	36,850	36,850	0	0
Delta Dental	5,770	5,770	0	0
Vision Care	1,775	1,775	0	0
COMMUNITY SERVICE ACTIVITES				
Public Education	13,000	6,511	10,000	10,000
Community Pharmaceutical Drop-Off	5,000	1,544	4,000	4,000
Vial of Life Program	200	0	200	0
CERT Kits/Sheds/Preparedness	30,000	20,532	17,500	15,000
Open Houses	750	336	1,200	750
Community Shredder	3,500	2,329	2,750	3,000
DFSC Matching Grants	8,000	8,000	20,000	8,000
Firesafe Planting Grants	3,000	0	3,000	3,000
Demonstration Garden	10,000	0	30,000	2,500
Community Sandbags	6,000	3,103	5,000	5,000
DISTRICT ACTIVITIES				
Professional Development	5,000	2,609	5,000	5,000
District Office				
Office expense	3,500	2,507	3,000	3,000
Office supplies	2,500	1,270	2,500	2,500
Telephone	8,000	6,786	8,000	8,000
Election	1,000	300	0	1,000
Firefighter's Apparel & PPE	27,000	26,501	1,500	1,000
Firefighters' Expenses	10,000	1,665	10,000	10,000
Staff Appreciation	4,000	1,136	2,000	2,200
Memberships	7,675	7,176	7,535	8,100
P/S Building				
Needs Assessment/Feasibility Study	150,000	195,472	30,000	0
Gardening service	2,000	1,460	2,000	2,000
Building alarm	2,000	1,379	2,000	2,000

KFPD REVISED COMBINED REVENUE, EXPENSE AND CAPITAL BUDGET

Fiscal Year 2017-2018

Medical waste disposal	3,500	3,678	5,000	5,500
Janitorial	1,500	1,260	1,500	1,500
Misc. Maint/Improvements	12,000	8,778	12,000	12,000
PG&E	7,500	6,775	7,500	8,000
Water/Sewer	1,900	1,808	2,040	2,140
Staff				
Wages	83,113	83,113	86,420	89,010
Longevity Pay	1,000	1,000	1,000	1,000
Overtime Wages	1,350	1,139	1,540	1,575
Vacation Wages Accrual Adjustment	766	-859	2,433	0
Medical/dental insurance compensation	8,190	8,190	8,190	8,250
Retirement Contribution	6,317	6,317	6,568	6,765
Payroll Taxes	7,493	7,442	7,789	7,995
Insurance - Workers Comp/Life	1,600	1,623	1,800	2,000
Processing	1,515	1,514	1,550	1,600
Operating Contingency Fund	<u>25,000</u>	<u>0</u>	<u>25,000</u>	<u>25,000</u>
Total Operating Expense	3,195,441	3,120,668	3,325,570	3,328,399
Capital Outlay				
Firefighter qtrs/equip	15,000	7,788	25,000	15,000
Office Furniture/Computers	5,000	0	5,000	5,000
Public Safety Building Construction	0	0	0	0
Total Capital Outlay	20,000	7,788	30,000	20,000
TOTAL EXPENDITURES	3,215,441	3,128,456	3,355,570	3,348,399

Notes: The standard expenditure increase is 5% unless otherwise indicated or unless policy decisions mandated.

* Due to new reporting rules under GASB 75 and the fact that our OPEB assets equal liabilities, the actuary stated preliminarily that we will have no OPEB expense beginning in FY 17/18.

Designated Funds (see attached schedules)

Engine Replacement Fund	117,874	117,874	117,874	117,874
Public Safety Building Fund	<u>1,089,786</u>	<u>1,089,786</u>	<u>650,000</u>	<u>150,000</u>
	1,207,660	1,207,660	767,874	267,874

	FY 2016-2017 <u>Budget</u>	FY 2016-2017 <u>Est. Actual</u>	FY 2017-2018 <u>Budget</u>	FY 2018-2019 <u>Planning</u>
Beginning Cash	6,596,372	5,843,399	6,987,198	7,874,864
Revenue	3,871,184	4,072,493	4,243,235	4,332,009
Operating Expenditures	-3,195,441	-3,120,668	-3,325,570	-3,328,399
Capital Expenditures	-20,000	-7,788	-30,000	-20,000
Accrual to Cash Adjustment		199,762		
<u>ENDING CASH</u>	7,252,114	6,987,198	7,874,864	8,858,474
Cumulative Designated Funds				
Capital Replacement Funds	-2,418,425	-2,418,425	-3,186,299	-3,454,173
Prepaid CERBT - Retiree Trust	-1,004,837	-953,491	-953,491	-953,491
El Cerrito Contract 12 month set aside	-2,552,869	-2,552,869	-2,826,907	-2,911,715
<u>AVAILABLE CASH</u>	1,275,983	1,062,413	908,167	1,539,095

KFPD REVISED COMBINED REVENUE, EXPENSE AND CAPITAL BUDGET
 Fiscal Year 2017-2018

SCHEDULE FOR REPLACEMENT OF EQUIPMENT

Type I Vehicle Cost	Estimated Cost 15 yrs/4%	Fiscal Year	Yearly Contribution To Cap. Fund	Accumulated Funds	Type III Vehicle Cost	Estimated Cost 15 yrs/4%	Fiscal Year	Yearly Contribution To Cap. Fund	Accumulated Funds
						\$540,094			
					\$94,000		02-03		
					\$205,895		03-04		
							04-05	32,860	32,860
							05-06	32,860	65,720
							06-07	32,855	98,575
							07-08	36,793	135,368
							08-09	36,793	172,161
					adjust to	\$592,100	09-10	41,994	214,155
							10-11	41,994	256,149
							11-12	41,994	298,143
							12-13	41,994	340,137
							13-14	41,994	382,131
							14-15	41,994	424,125
\$632,000	\$1,138,200	15-16					15-16	41,994	466,119
		16-17	75,880	75,880			16-17	41,994	508,113
		17-18	75,880	151,760			17-18	41,994	550,107
		18-19	75,880	227,640			18-19	<u>41,994</u>	592,101
		19-20	75,880	303,520				592,101	
		20-21	75,880	379,400					
		21-22	75,880	455,280					
		22-23	75,880	531,160					
		23-24	75,880	607,040					
		24-25	75,880	682,920					
		25-26	75,880	758,800					
		26-27	75,880	834,680					
		27-28	75,880	910,560					
		28-29	75,880	986,440					
		29-30	75,880	1,062,320					
		30-31	<u>75,880</u>	1,138,200					
			1,138,200						

KFPD REVISED COMBINED REVENUE, EXPENSE AND CAPITAL BUDGET
Fiscal Year 2017-2018

SAVINGS SCHEDULE FOR BUILDING IMPROVEMENTS/RENOVATION/REPLACEMENT

Adjusted for 4% <u>Inflation</u>	Fiscal <u>Year</u>	Yearly <u>Contribution</u>	Accumulated <u>Reserves</u>
	12-13	100,000	100,000
	13-14	104,000	204,000
	14-15	108,160	312,160
	15-16	432,486	744,646
	16-17	1,089,786	1,834,432
	17-18	650,000	2,484,432
	18-19	150,000	2,634,432

* Based on historical building expenditures, KFPD was setting aside \$100,000 plus inflation per fiscal year to accumulate funds to be available for future building improvements/major repairs.

In preparation for a major building remodel/replacement, any surplus funding from each year will also be contributed to the building replacement fund.

BOARD REPORTS

**MINUTES OF THE JUNE 6, 2017 FINANCE COMMITTEE MEETING
OF THE KENSINGTON FIRE PROTECTION DISTRICT**

PRESENT: Directors: Janice Kosel and Don Dommer
 Staff: Manager Brenda Navellier, Fire Chief Lance Maples, Deborah Russell CPA

CALL TO ORDER:

Director Kosel called the meeting to order at 5:35 p.m. and noted the Committee members, staff and El Cerrito City Manager, Scott Hanin, were present. There were two members of the public in attendance.

ORAL COMMUNICATIONS:

None.

APPROVAL OF FEBRUARY 2, 2017 COMMITTEE MINUTES:

Director Kosel explained that this was the last time that the Finance Committee had met and that they typically meet twice a year. The Committee agreed by consensus to accept the minutes as submitted with one minor change.

EL CERRITO CONTRACT FEE PROPOSAL FOR FY2017-2018:

Chief Lance Maples thanked the Committee and gave noted that the documents in the Finance Committee packet give an overview of the fire department operations and generalities. Organizational structure is also included. All data included in the proposal treats El Cerrito and Kensington as one department. Most fire department programs in relation to the City's strategic plan are "on-going". The document also give service indicators, demonstrating a relatively low fire loss, and hours spent on training, fire prevention, current certifications, educational contacts, etc. Maples then reviewed the major changes in the fee schedule line by line. Maples gave an explanation on worker's comp and noted that the rating is for the City as a whole, not just the department. This line item is up 37%. David Spath asked about the salary increase of 3.4% and whether that was for just step increases? Maples said it is a placeholder since the City is currently in salary negotiations with the fire union. Of significance, Maples noted that account 52390 was increased to \$190,000 from \$70,000 due to the cost of Contra Costa Fire dispatch services. Richmond's proposal was much higher. Maples continued line by line. Director Kosel noted that this is a bigger increase then the District is used to. The average increase over 22 years was 5.15%. This increase is 10.73%--double the average. Kosel said the bulk of the increase appears to be due to the 3.4 percent salary increase, the 18% PERS increase, and the Con Fire dispatch. Maples concurred and added the worker's comp increase and the reconciliation of FY15-16. Kosel noted the FY14, FY15 and FY16 year minimal increases and negative one year and acknowledged that couldn't continue forever. Scott Hanin noted that the City wants to keep wages competitive and 75% of the budget is wages. Kosel said the last five years total comes in below the average. Maples noted that without the reconciliation, the increase is only 4%. The proposed fee is \$2,767,304.64. Kosel said she appreciates the explanation as she was initially shocked by the last year percentage. She understands how the City got to the proposal amount. Kensington is well pleased with the Fire Chief and with the firefighting personnel. The contract is a win-win. El Cerrito Fire has a higher level of service than surrounding cities. Kosel asked Maples to explain the calls that Kensington responds to in El Cerrito. Maples noted that Kensington responded into El Cerrito prior to the 1995 contract. If the contract were cancelled tomorrow, there are still boundary drops through automatic aid. That was part of the understanding when the contract was created—the response matrix did not change. It is a partnership and is commonly known as boundary drops. Richmond, El Cerrito and Kensington all cooperate together—that's the way the County works. This year, Kensington strengthened its relationship with Berkeley also. Kosel noted that Kensington is only paying 27.75% of personnel costs when they utilize 1/3 (33%) of the personnel. Navellier will include the fire station cost comparison in the next Board packet.

Kosel reported that Kensington Fire is in solid financial shape. As Kensington moves toward a construction phase, the one-year contract set-aside may be eroded. The District will be looking to get a loan to finance the building project. Again, the District is extraordinarily well pleased with the firefighting staff and Chief.

Hanin reported that the City of El Cerrito will be presenting the fiscal year budget at their meeting tonight. The City made a decision in prior years to dip into reserves in order for services not to be affected. El Cerrito did not lay off any employees. In addition, the employees now pay 12% of their PERS cost instead of the previous 0%.

Reserves dipped as low as 4% but are now back up to 9%. El Cerrito is budgeting a 6.5% property tax increase largely due retail turnover. The City did two different bond payment restructures which saved them considerable funds. The budget being submitted tonight is balanced with a \$225,000 surplus. All labor agreements are up this year and the City is largely looking at short term agreements with the unions. Russell asked if El Cerrito's goal was still to pay for median? Hanin responded that El Cerrito is not surveying any positions anymore. Hanin also explained the "salary savings" with three open positions in the fire department. David Spath asked for clarification about not providing as much mutual aid as the previous year? Maples explained that during the last 1-1/2 years the department has scaled back to just using one engine (OES) for out of county responses. The department would participate in any strike team in the greater bay area though. Maples reminded everyone that the contract fee does not reflect any out of county expenses since it is a separate line item that Kensington does not pay. He also explained the individual certifications that many personnel hold for individual responses. Municipal rigs are committed to a 14-day response. El Cerrito used to be in the OES system for two engines available for response; we are automatically entered for one engine now. Maples will evaluate the response based on how fire season goes. Kosel said she is prepared to recommend to the KFPD Board approval of the contract fee proposal.
Hanin and Maples left the meeting at 6:15 p.m.

FY2016-2017 AUDITOR PROPOSAL/RECOMMENDATION:

Per the memo in the Finance Committee packet, Navellier solicited proposals from five audit firms including the current KFPD auditor. Navellier and Russell then interviewed the two new auditors that responded with proposals and sample audits. Navellier brought the proposals to the Committee meeting for review. Navellier and Russell recommending changing auditors for transparency sake and to hire MUN CPAs. Kosel thanked Navellier and Russell for their work and suggested the Committee recommend MUN CPAs at a cost of \$16,000. MUN has offered a one-year agreement which the Committee is comfortable with in case the relationship doesn't work out. Navellier reported that their original proposal was \$17,500 but were willing to come down to \$16,000 after being interviewed. Russell pointed out being a new auditor creates a lot of work for them and staff. A second year may be a lower price. Navellier will change the budget line and the Committee will make the recommendation at the June meeting.

REVIEW AND RECOMMEND DRAFT FY2017-2018 BUDGET:

The Committee then reviewed the draft budget included in the packet. Revenue is \$4.2 million, total operating expense is \$3.2 million and total expense with capital is \$3.3 million. Russell pointed out that the District wishes to clearly state that if a construction project comes to fruition, all excess immediately disappears. There is no amount included in the budget for the building cost since it is currently unknown. Dommer said if the total amount of the project is \$10 million, KPPCSD would need to pay approximately 1/3 of that. The construction estimate has increased considerably since the construction industry is extremely busy. The District won't have a good number until the drawings are more refined. We only have diagrammatic drawings at this point. Dommer said he hopes the District will be starting schematic drawings in the fall. Architectural drawings will typically cost around \$800,000 for the proposed building. After discussion, the Committee added \$550,000 in capital outlay to be classified as construction in process. The Committee may have better numbers in time for approval of the final budget in September. More discussion followed on building costs and how to finance them. Kosel said KFPD needs to know if KPPCSD is going to be part of the project or not. KFPD cannot get a loan for their part of the building without significant rental income. Dommer said there will be architectural fees, project manager, soils engineer, and permits. He suggested increasing the budget to \$750,000. Kosel noted that there is no agreement yet with KPPCSD for the lease agreement. Both Districts are discussing the issue in closed session. Russell noted that the \$35,470 that is currently in the budget was derived by continuing the previous agreement prior to the three-year \$1 deal. It will be a short term lease because of the building project. Under Expense, the audit amount will be changing, retiree medical benefits are at zero because the benefits are being paid from the CalPERS Trust. The District hasn't had any firefighting employees in 22 years. The District will be receiving a new, updated actuarial report later this year. Navellier will review the need for the \$25,000 under Needs Assessment/Feasibility Study. Dommer stated that the Finance Committee should be reviewing the funding portion of the building project as opposed to the Building Committee. Kosel agreed. Russell reported that El Cerrito has budgeted 3.4% increases for staff but is targeting 3%. The draft budget for KFPD gives Navellier a 3% increase. The Committee said there are no performance problems with Navellier and all Board members are well satisfied. The Committee suggested a 4% increase (3.5% cost of living and .5% merit) for FY17-18 and a 3% increase for FY18-19. Kosel noted that the majority of the surplus has been taken up with the \$750,000 for construction in progress.

Navellier distributed the projected cash flow from May through October 2017. Russell gave an overall explanation and noted that we may be eroding the contract set-aside depending on when we spend the construction in progress funds. The District's lean months are in October/November prior to December cash conversion.

Kosel then reviewed the schedule for the engines and noted their life span is 15 years. The Type III engine replacement is coming up in FY18-19. The anticipated cost is \$592,000 and the District will have that all saved by that fiscal year. The last page of the budget shows where the District is on the building fund. KFPD dramatically increased the amount put in this year and at the end of FY16-17 \$1.8 million will be saved for the building. The District will also put another \$930,000 into the fund during FY17-18. The Committee decided to reduce the \$930,000 by the \$750,000 that was put into the budget and zero out the building fund in FY18-19.

Russell made comments on the Costs per Fire Station cost sheet. The FY15-16 fee from El Cerrito was artificially low because the reconciliation was absorbed in FY17-18.

REVIEW DISTRICT INVESTMENTS:

Navellier distributed a schedule of investments. Russell reviewed the investments and pointed those that have already rolled. A Yankee CD will be coming to maturity in July. Kosel asked about the up-front loads for the investments. Investment yields are better but the District may soon be spending all its available funds on the building. Navellier said the District is earning .78% on the LAIF investments. Kosel directed Navellier to roll the CD that matures in July at the best rate but no more than 12 mos. Russell explained more on the net cost and the par value on the schedule. More discussion followed on the loads that the County charges.

ADJOURNMENT: The meeting was adjourned at 7:00 p.m.

MINUTES PREPARED BY: Brenda J. Navellier

These minutes were approved at the Committee meeting of January 23, 2018.

Attest:

Finance Committee Member



CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
651 Pine Street, Sixth Floor • Martinez, CA 94553-1229
e-mail: LTexte@lafco.cccounty.us
(925) 335-1094 • (925) 646-1228 FAX

January 10, 2018

TO: Each Board Member and General Manager of Each Independent Special District in Contra Costa County

FROM: Lou Ann Texeira, LAFCO Executive Officer

SUBJECT: **Announcement of Upcoming Special District Vacancies on LAFCO, Call for Nominations and for Names of Voting Delegates**

This is to advise all independent special districts that the terms of two special district members on the Contra Costa Local Agency Formation Commission (LAFCO) will expire on May 7, 2018. We are currently accepting nominations for these seats. The vacancies are for a regular special district member seat currently held by Igor Skaredoff (Contra Costa Resource Conservation District) and for the alternate special district member seat currently held by Stan Caldwell (Mt. View Sanitary District). Both members will seek re-appointment.

Pursuant to Government Code Section 56332 (Attachment 1) and the Procedures for the Special District Selection Committee (Attachment 2), both of which are enclosed, I am announcing the election and calling for nominations for the vacancies to be submitted to the LAFCO office by **March 5, 2018** - please see attached 2018 Election Schedule.

The following summarizes the process:

Selection Committee: The Independent Special District Selection Committee (ISDSC) consists of the presiding officer (or his/her designee) of the legislative body of each independent special district. This group appoints the special district members of LAFCO.

Attached please find a list of the independent special districts eligible to vote in this election (Attachment 3). Please provide us with the name of your District's presiding officer or voting designee (must be a board/trustee member). Board action is not necessary to name your voting representative. Please provide this information by **March 5, 2018**.

Nominations: Each candidate must be nominated by a Special District Board resolution and must be a board member/trustee of an independent special district. The nomination should include the name of the nominee and the district they serve. The nominating resolution must be submitted to LAFCO by the deadline of **March 5, 2018**. Each independent special district is entitled to nominate a maximum of one board member, either from its own district or another, if so desired.

SPECIAL DISTRICT SELECTION COMMITTEE 2018 ELECTION SCHEDULE

<u>Date/Deadline</u>	<u>Task</u>
1/10/18	Send letter announcing vacancy and election schedule, call for nominations and names of voting delegates
2/5/18	Send reminder
3/5/18	Deadline for submitting names of voting delegates and nominating resolutions
3/12/18	Transmit list of candidates and ballots to voting delegates (email and US mail) (cc: district manager)
3/19/18	Send notice of Special District Selection Committee meeting to newspapers (for publication on 3/26/18)
3/19/18	Send reminder to return completed ballots to the LAFCO office by April 16, 2018. Ballots can also be delivered to LAFCO at the Independent Special District Selection Committee (ISDSC) meeting on April 16, 2018. The ISDSC meeting will be held in conjunction with the quarterly Contra Costa Special Districts Association meeting. All ballots must be received by LAFCO by 4/16/18.
4/16/18	Election
4/23/18	Election results must be available within 7 days of election [Gov. Code §56332(f)(6)]

Independent special district selection committee	<p>56332. (a) The independent special district selection committee shall consist of the presiding officer of the legislative body of each independent special district. However, if the presiding officer of an independent special district is unable to participate in a meeting or election of the independent special district selection committee, the legislative body of the district may appoint one of its members as an alternate to participate in the selection committee in the presiding officer's place. Those districts shall include districts located wholly within the county and those containing territory within the county representing 50 percent or more of the assessed value of taxable property of the district, as shown on the last equalized county assessment roll. Each member of the committee shall be entitled to one vote for each independent special district of which he or she is the presiding officer or his or her alternate as designated by the governing body. Members representing a majority of the eligible districts shall constitute a quorum.</p>
Meetings	<p>(b) The executive officer shall call and give written notice of all meetings of the members of the selection committee. A meeting shall be called and held under one of the following circumstances:</p>
Anticipated vacancy	<p>(1) Whenever the executive officer anticipates that a vacancy will occur within the next 90 days among the members or alternate member representing independent special districts on the commission.</p> <p>(2) Whenever a vacancy exists among the members or alternate member representing independent special districts upon the commission.</p> <p>(3) Upon receipt of a written request by one or more members of the selection committee representing districts having 10 percent or more of the assessed value of taxable property within the county, as shown on the last equalized county assessment roll.</p>
	<p><u>(4) Upon the adoption of a resolution of intention pursuant to Section 56332.5.</u></p>
	<p><u>(5) Upon receipt of a written request by one or more members of the selection committee notifying the executive officer of the need to appoint a member representing independent special districts on an oversight board pursuant to paragraph (3) of subdivision (j) of Section 34179 of the Health and Safety Code.</u></p>
Appointment of special district members	<p>(c) The selection committee shall appoint two regular members and one alternate member to the commission. The members so appointed shall be elected or appointed members of the legislative body of an independent special district residing within the county but shall not be members of the legislative body of a city or county. If one of the regular district members is absent from a commission meeting or disqualifies himself or herself from participating in a meeting, the alternate district member may serve and vote in place of the regular district member for that meeting. Service on the commission by a regular district member shall not</p>
District member disqualification	

CONTRA COSTA COUNTY SPECIAL DISTRICTS
Procedures for the Special District Selection Committee
(Revised January 2010)

The California Government Code, specifically Section 56332, sets forth requirements for the Independent Special Districts Selection Committee (“Selection Committee”). The procedures contained herein are intended to supplement the code and provide local rules relating to the selection of special district members to the Contra Costa Local Agency Formation Commission (LAFCO).

Selection Committee Purpose

The purpose of the Selection Committee shall be to appoint the regular and/or alternate special district members to the Contra Costa LAFCO whenever a term expires or a vacancy exists for the regular or alternate special district member seats. The term of office of each LAFCO member shall be four years and until the appointment and qualification of his or her successor (Gov. Code §56334).

Selection Committee Membership

The Selection Committee shall be comprised of the presiding officer of the legislative body of each independent special district. If the presiding officer is unable to attend a Committee meeting, the district may appoint one of its other members to attend the meeting (Gov. Code §56332).

Selection Committee Meetings

The LAFCO Executive Officer shall notify all independent special districts of a vacancy or impending vacancy in the position of regular or alternate special district member and shall schedule a meeting of the Selection Committee.

To the extent possible, Selection Committee meetings shall be scheduled in conjunction with meetings of the Contra Costa Special Districts Association as a convenience to members and for efficiency.

The Executive Officer shall provide a schedule to submit nominations to all independent special districts prior to the Selection Committee meeting.

All meetings of the Selection Committee shall be open meetings and comply with all applicable provisions of the Ralph M. Brown Act.

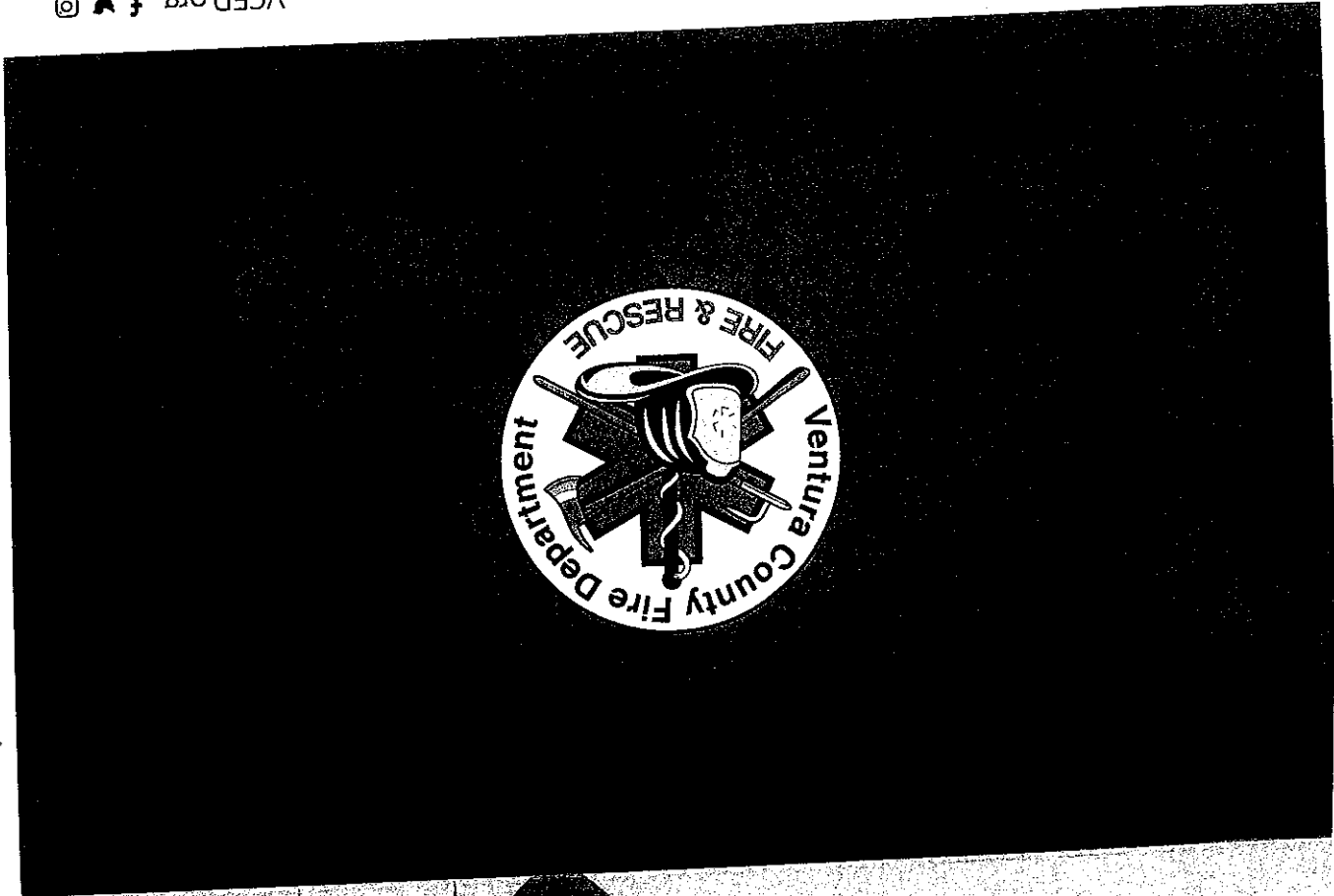
Quorum

Each presiding officer (or appointed alternate board member) attending the Selection Committee meeting shall be required to register their attendance. Members representing a majority of the eligible districts shall constitute a quorum for the conduct of the Selection Committee business. No meeting shall be convened prior to establishing a quorum. The Committee shall act by majority vote of the quorum, or if more than a quorum is present at the meeting, by majority vote of those members present.

Nomination Procedures

Members of governing boards of independent special districts may be nominated to serve as a regular or alternate special district member of the Contra Costa LAFCO (Gov. Code §56332).

Each independent special district shall be entitled to nominate a maximum of one board member per vacancy (i.e., for each regular and each alternate seat) from any district. Districts are required to make nominations by adoption of a Board resolution.



Designed by **MUSTANG** MARKING
Photography by Alexa Coughlin

VCFD.org f @

The Thomas Fire was the most damaging fire Ventura County has ever faced. Our agency, employees and community members are grateful for the support you provided during our time of need. Thank you!

A handwritten signature in black ink, appearing to read 'Mark Lorenzen', with a long, sweeping tail extending to the right.

MARK LORENZEN

Fire Chief
Ventura County Fire Department